The Position Paper process

The Media Development and Diversity Agency (MDDA) Position Paper was finalised taking into account public comments received in February 2001, the public hearings conducted by the parliamentary Portfolio Committee on Communication in March 2001, and consultations with stakeholders throughout 2001.

This Position Paper contains the underlying philosophy and rationale of the MDDA, and as such represents government policy that has guided the drafting of the MDDA Bill, which will be debated in Parliament during 2002.

The Executive Summary is available in all official languages on request.

This Position Paper is also available on the GCIS website:

http://www.gcis.gov.za

"Everyone has a right to freedom of expression, which includes:
(a) freedom of the press and other media, and
(b) freedom to receive or impart information or ideas."
From the South African Constitution, Chapter Two, Section 16

"Open debate and transparency in government and society are crucial elements of reconstruction and development. This requires an information policy which guarantees active exchange of information and opinion among all members of society…….. The democratic government must encourage the development of all tiers of media – public, community and private. However, it must seek to correct the skewed legacy of apartheid where public media were turned into instruments of National Party policy; where community media were repressed; where private media are concentrated in the hands of a few monopolies, and where a few individuals from the white community determine the content of media. New voices at national, regional and local levels, and genuine competition rather than a monopoly of ideas, must be encouraged".
From the Reconstruction and Development Programme (RDP) base document, 1994

A pluralistic press is "the end of monopolies of any kind and the existence of the greatest number of newspapers, magazines and periodicals reflecting the widest possible range of opinion within the community".
1991 Windhoek Declaration on Promoting an Independent and Pluralistic African Press

Government should "facilitate the process of setting up a statutorily recognised media development agency comprised of independently recognised elected trustees, which agency will operate a statutorily recognised subsidy system for community and independent media in South Africa".
Comtask Report, 1996

"A central public interest principle in broadcasting is that of universal access, that is, the availability of broadcasting services to all citizens. In South Africa it is also desirable to expand the concept of access from the right to receive information to include greater access to the means of production in broadcasting. The question of access relates directly to the principle of diversity. Access to choice and diversity of choice includes access to a diverse range of language, cultural, religious and regional programming. The real significance of diversity within the framework of national unity is that it secures other benefits for society such as a substantial degree of media pluralism. At least five dimensions of diversity are: media functions; content; representation of different groups and people; geography or locale; and media ownership limitations".
White Paper on Broadcasting Policy, May 1998

"Society benefits from free, independent, and pluralistic media. But to achieve this, a supportive policy environment is required, and it must be proactively encouraged by public and private sectors, the international community and multilateral agencies…[One initiative would be to] develop independent media support agencies (voluntary or statutory) which provide assistance through loans and subsidies, and/ or other measures such as postal rate or connectivity cost reductions (e.g. the Media Development and Diversity Agency being established in South Africa)".
Resolution of the Global Knowledge II Conference, Malaysia, March 2000

"It is recommended that the current attempts to establish the Media Diversity Agency be given greater impetus. The private sector should be encouraged to support such an initiative and if necessary funding and support should be made available by both government and the private sector to promote and encourage greater diversity in ownership".

South African Human Rights Commission, Faultlines: Inquiry into Racism in the Media, August 2000. (Supported by the SA National Editors Forum)

"Democracy requires a media that is free from state or corporate control. Throughout the 20th century it has been recognised that corporate control can pose as great a threat to media democracy as state control. The state has a duty to create conditions for a diverse and democratic media. One such measure is anti-monopoly controls. Another measure to correct structural inequalities in the market is to encourage and support new media. The initiative by the Government Communication and Information System (GCIS) [to set up a Media Development and Diversity Agency] should therefore be encouraged and supported."

Declaration of Principles on Information, Power and Democracy
adopted in Cape Town on 10 October, 2000. Endorsed by the Institute for Democratic Alternatives (Idasa) and the London-based freedom of expression NGO Article 19

Table of Contents

FOREWORD

This Position Paper is the culmination of many months of research and consultations. Many hours have gone into ensuring a high degree of consensus among all the key stakeholders – government, the private sector and the community media sector - who are central to the partnership that will govern the MDDA. This common commitment to a transformed media environment echoes the founding consensus that is embodied in the Constitution of our young democracy.

As we all accept, South Africa is still burdened by the special form of colonialism that has shaped our country. This legacy plays itself out in various spheres of society, including the media, where the nature of public discourse is shaped by patterns of ownership and control such that the poor and disadvantaged remain marginalised.

While there have been many changes in the media since our country's first democratic elections in 1994, there is clearly much more that needs to be done. The media in our country still represents a narrow range of interests, which is not reflective of our country's diversity. While the market can play a crucial role in diversifying the media, additional mechanisms are needed to meet the needs of all our people.

Government has taken the bold step of setting up an independent agency that will address some of the problems of media development and diversity in South Africa.

It is important to stress that the proposed Media Development and Diversity Agency (MDDA) will not interfere in the content of any newspaper, television or radio station. Its primary purpose is to help create an enabling environment for media to develop and meet the diverse needs of all South Africans. This includes those marginalised because of factors such as gender, race, disability, geographical location, class or income, as well as marginalised schools of thought.

While the scale of what is required to fully address media imbalances will be beyond the scope of the MDDA, it will play a key catalytic role through its funding, facilitation and research.

This Position Paper was formulated through consultation with a wide range of stakeholders, including statutory bodies, the media and advertising industry, community media, NGOs, academics and trade unions. It is now government policy, and informs the draft legislation that will be presented to Parliament for consideration during 2002.

Dr Essop Pahad
Minister in the Presidency

EXECUTIVE SUMMARY

South Africa's media history reflects the fissures and divisions within society as well as the distribution of power. The challenge of democratic transformation affects all spheres of social life, including the institutions and practices of the media.

Government is committed to creating an agency to promote access to the media by marginalised groups and to enhance media diversity. This follows a Cabinet decision based on a Comtask recommendation in 1996. It is in accordance with the Constitution, Bill of Rights and the Reconstruction and Development Programme and is further motivated by the National Action Plan for the Promotion and Protection of Human Rights, which emphasises freedom of expression and media diversity, and the need for mechanisms to ensure that this is achieved. It follows an unsuccessful attempt by civil society to form such a body in the early 1990s.

The motivation for an independent, separately located and cost-effective Media Development and Diversity Agency (MDDA) rests on the need for a body of respected media specialists and other public figures that will, through funding, facilitation and research, develop expertise around media development and diversity and ensure their realisation. It will operate on the best principles of corporate governance with a mandate and requisite resources. It will operate at arms length from government, the media industry and other donors.

As the world moves rapidly towards an information society, it is critical that all citizens have access to the widest range of information and opinion in order to participate effectively in an increasingly integrated world at local, national and international levels. Government has made access to information integral to its reconstruction and development programme.

The MDDA, like the programme of Multi-Purpose Community Centres, is a key initiative towards this objective. It will help alter the communications environment in a way that builds infrastructure and fosters the emergence of media reflecting the experiences and perspectives of the marginalised. In other words, while the MDDA will not by itself bring about the complete transformation of the media, it will, through its funding, facilitation and research functions, play a catalytic role in altering the media landscape in a way that will be conducive to broader changes.

Defining media development and diversity:

Media development involves promoting an enabling environment to help redress exclusion and marginalisation of groups and interests from access to media - as owners, managers and producers of media. Media diversity is about ensuring that all interests and sectors have affordable access to a range of views and information sources fully reflective of our society.

The achievement of diversity is also facilitated by the availability, to a diverse range of media, small and large, of the means of distribution.

Media in South Africa:

Whilst much has been done since the advent of democracy to address problems of media development and diversity, it has clearly not been enough. The density of media infrastructure

per capita remains low. Media ownership is still concentrated and does not meet the needs of all groups and interests. Representivity is still inadequate at management, editorial and general staffing levels.

South African experience has shown that market forces, opportunities for broadcast licences and changes in ownership, while very important, cannot on their own fully achieve this transformation. Initiatives such as the MDDA are needed to spur on the process.

Drawing on experience:

International experience shows that support schemes to promote media development and diversity are not new. They have been implemented in Europe since the 1950s on the basis that market forces alone would not achieve sufficient diversity. Indeed, the evidence is that the market on its own tends towards increased concentration, which can inhibit freedom of expression and a diversity of views.

An earlier attempt to form a voluntary support mechanism, the Independent Media Diversity Trust, eventually failed for lack of funding. This has reinforced the view that only initiatives firmly rooted in a partnership of government and the media, and underpinned by statutory authority, will have a sustainable impact.

The character of the MDDA and its relationship with other bodies:

The MDDA will be an independent, statutory body operating at an arms-length from government, the private sector and any other donors. Its mandate will be to promote diversity and development in print, broadcast and "new media".

The MDDA will have a nine-person Board nominated by Parliament through a public process, and appointed by the President. Places on the Board will be reserved for nominees from each of government, print media, broadcast media and community media, while the remaining five will be nominated by the public. The Board will appoint a CEO who will, in conjunction with the Board, appoint a small highly skilled and adequately resourced staff.

Apart from its primary role of media support, the MDDA will commission research and make recommendations to government, the media industry and other relevant bodies. The MDDA will relate to all bodies with a direct or indirect interest in media development and diversity. The MDDA will hold an annual stakeholders' meeting where such bodies will consider the MDDA's annual report.

The beneficiaries and the nature of the support:

The main beneficiaries of direct and indirect support will be community media, as well as small commercial media, including radio, television, print and new media. There will be particular emphasis on projects that bring disadvantaged communities and sectors - particularly women, rural people, the disabled, illiterate people, working class and poor people - into the information and communications loop.

Support will be of a funding and non-funding nature, and will include direct and indirect subsi-

dies; emergency funding; capacity development; training; project evaluation and media research. It will also make recommendations in support of media seeking loan finance, on the basis of its evaluation procedures.

The MDDA's guiding principle in making funding decisions and loan recommendations will be the contribution that projects make to media development and diversity. It will seek to promote sustainability, and to fund projects that have good governance practices. Other considerations include community participation and equity plans.

The MDDA's budget:

The MDDA needs adequate financing to cover networking, training, capital and operational costs, as well as feasibility studies and project evaluation. It will also commission research on media development and diversity. Its operational needs, including performance evaluations of projects, should represent no more than 12% of total costs.

The resources needed to address the immediate backlog comes to a total of R256m, over five years.

Government will initially contribute in the region of two thirds of the budget, while the remainder should come from the media industry and funds raised by the Universal Service Agency through its levy on telecommunications. It should be noted that government's contribution will include the support for community radio infrastructure and programme development already given through the Department of Communications, and funds allocated to GCIS under the MTEF.

1 Introduction

South Africa's history of colonialism and apartheid permeates all facets of social life, including the media. This is reflected not only in the patterns of media ownership and control, including imbalances within the newsrooms, but also in the lack of access to alternative media platforms for many of the country's marginalised communities.

Alternative media platforms that emerged in earlier periods to give expression to the views and perspectives of the majority were either suppressed, or unable to survive under market conditions shaped by the legacy of our history. While it is acknowledged that many media practitioners from the alternative media sector have risen up the ranks of the mainstream media, and helped transform it in the process, the public media discourse continues to be shaped by a narrow range of interests.

The challenge of democratic transformation in South Africa as it affects the media is, therefore, a challenge to ensure that, ultimately, all interests, sectors and schools of thought are adequately catered for by the media industry.

1.1 Government's commitment

Government is committed to ensuring media development and diversity and promoting development communication. This is already being done through a range of instruments, including amongst others, an independent regulator for the broadcasting industry, the broadcasting infrastructure roll-out programme of the Department of Communication (DOC), legislation facilitating access to information and the setting up of Multi-Purpose Community Centres, alongside private sector initiatives such as the Print Development Unit.

A further necessary critical instrument in media development and diversity is the Media Development and Diversity Agency (MDDA), which will contribute to addressing the legacy of exclusion from access to the media and promote a diversity of voices in South Africa's media. The agency has been designed to complement, and not duplicate the work of, other statutory and institutional initiatives, to assist in ensuring that the freedom of expression and access to information clauses in our country's Constitution are realised.

The MDDA's key role is, therefore, to help create an enabling environment for media development and diversity. To do this it will work closely with the media industry, donor organisations, government departments, other statutory and institutional initiatives, community media and the communities these represent, to encourage efforts towards redressing the inequities of the past, and enhancing the diversity of views in South Africa's media discourse.

1.2 Background

Government's decision to establish an MDDA is informed by the Task Group on Government Communications (Comtask) recommendation in 1996, which stated that government should "Facilitate the process of setting up a statutorily recognised media development agency comprised of independently recognised elected trustees, which agency will operate a statutorily recognised subsidy system for community and independent media in South Africa".

This decision, initially motivated by the alternative and community media sector in the early 1990s, was further endorsed by the National Action Plan for the Promotion and Protection of Human Rights, which was adopted by Cabinet in1998. The Plan emphasises the need to promote freedom of expression and media diversity, and government's central role in ensuring that there are instruments, like the MDDA, for this purpose.

The MDDA will be set up within a context of competing demands for limited public resources. Government recognises this in its recommendations around the role, relationships, functioning and funding of the MDDA.

An interdepartmental committee has acted as a government reference group in the development of the Position Paper. This group consisted of the departments of Arts and Culture, Science and Technology, Communications, Education, Finance, and Trade and Industry, as well as the Policy Co-ordination and Advisory Service in the Presidency. The Position Paper benefited from extensive research into the media environment and consultations with and submissions from a wide range of stakeholders (see Annexure 1), including public hearings conducted by the Parliamentary Portfolio Committee on Communication in March 2001.

1.3 Defining media development

Media development is aimed at redressing the exclusion and marginalisation of a vast range of groups and interests from access to media, not only as readers, listeners and viewers but also as owners, managers and producers of media. It is an integral part of freedom of expression and of creating a country based on democratic rights, social equality and respect for human dignity.

In the first instance it requires developing the media environment and infrastructure. South Africa's democracy needs an enabling environment for the media industry to grow in an accessible manner, and for its growth to be sustainable. This includes expanding the media infrastructure as a means of developing an informed citizenry in an information age, as well as encouraging South Africans to take advantage of new technology that will lower the threshold of entry into media.

The MDDA will contribute to media development by providing support, in the first instance, to community media, and secondly to small commercial media through, amongst other things:
◗ Providing direct financial support to community media projects;
◗ Providing or facilitating indirect support, including access to low-interest loans, discounts and subsidies;
◗ Building capacity, including training in journalistic, management, strategic, business and financial skills;
◗ Supporting networking amongst community media practitioners at local, national, regional and international levels;
◗ Commissioning media research to assess needs, and funding research projects that address issues relating to media development and diversity.

1.4 Defining media diversity

Media diversity, a consequence of media development, has two dimensions:
a) it means, ultimately, affordable access by all to the widest range of opinion and information sources, and

b) equitable representation within the media regarding, amongst others, ownership, staffing, audience, language and format of media.

The MDDA will not have the resources or mandate to directly impact on all aspects of diversity. However, through its funding, facilitation and research activities, it will make a contribution to changes in the media environment that are conducive to broader changes.

The MDDA will regard the following as priority groups amongst the disadvantaged and marginalised:
◗ Working class and poor people
◗ People living in rural areas
◗ People living in cities and towns having limited media resources
◗ Women
◗ Youth and children
◗ Marginalised language groups
◗ Illiterate people
◗ Senior citizens
◗ People with disabilities.

4.6 Development communication

The MDDA will support projects that enable media to promote democratic, human and socio-economic rights, such that the public and communities are empowered to actively participate in development. This would include, for example, promoting race and gender equality, education, health care, improved basic services, job creation and environmental awareness.

In sum: The MDDA will contribute to media development and diversity in South Africa by, in the main:
◗ providing or facilitating financial and other support to community media and small commercial media projects; and
◗ providing resources for media research.

2 Media in South Africa

2.1 Historical overview

The media in South Africa has always reflected the fissures and inequities of society. The effect has been to marginalise the voices of the majority whether through repression or, in recent years, hostile market conditions shaped by the historical legacy.

South Africa's mainstream media has historically largely been owned and controlled by the white minority establishment, in particular big business and, in the case of broadcasting, the apartheid state. The views and perspectives, languages, and values of people in these groups were mirrored in most of their newspapers, and in radio and television programmes. A small number of commercial and community media emerged as part of the resistance to colonial and apartheid rule.

2.1.1 Broadcasting during apartheid

During the apartheid era, the South African Broadcasting Corporation (SABC) owned and controlled almost all public and commercial broadcasting stations, as well as signal distribution services and infrastructure. Apart from distorting information available over radio and television, the history of services provided by the SABC reflected the ruling party's policies of separate and unequal development. FM services in eleven different languages were developed in a manner that served the ideology of apartheid.

The "homeland" system offered some loopholes in the broadcasting sphere, and two English language commercial radio stations were set up in Bophuthatswana (Radio 702) and Transkei (Capital 604) to broadcast to the PWV and Durban areas respectively.

The launch of television in 1975 gave rise to the fear that newspapers would lose advertising revenue. The apartheid government sought to offset this by allowing newspaper ownership of a pay television service aimed at up-market viewers, on condition that it did not carry any news services. Consequently, the dominant newspaper groups Argus, Naspers, Perskor and Times Media Limited launched M-Net in 1986.

2.1.2 The newspaper industry

The mainstream newspaper industry has historically been dominated by two main groups: the Afrikaans language press, owned by Nasionale Pers and Perskor, which supported the apartheid government, and the English language press owned in the main by the mining and industrial conglomerate the Anglo-American Corporation (AAC), and supportive of white opposition parties. The AAC controlled two companies that dominated the English market for many years, namely the Argus Group and the SA Associated Newspapers (Saan, later Times Media Limited).

As indicated in a report to Comtask, this duopoly was vertically integrated at the level of print, distribution and product (including specific publication forms to allow for market targeting), with restrictive practices existing to ensure that distribution and to a lesser extent printing was contained within the duopoly.

A few family-owned newspapers independent of those media houses existed, most notably the Daily Dispatch in East London and the Natal Witness in Pietermartizburg. For news outside their

areas, however, they relied heavily on the news service provided by the South African Press Association (Sapa), which in turn was owned by the duopoly.

Whilst broadly supportive of the establishment, a few of the English language newspapers, particularly the Rand Daily Mail and Daily Dispatch during the 1960s, 1970s and early 1980s, were outspoken against certain human rights abuses, and gave some coverage to liberation politics. This incurred the wrath of the establishment, leading to the banning of the Daily Dispatch editor in 1977. During this time it also banned the outspoken World and Weekend World which, while owned by the Argus Group, were run by black editors. The Rand Daily Mail was eventually closed by its owners in 1985, giving rise to the alternative newspaper Weekly Mail.

2.1.3 The alternative media

Dissenting voices, particularly that of the democratic movement, faced the might of the state's repressive machinery. The alternative press was a state target. People involved in the alternative press were harassed, and publications were sometimes banned. The apartheid government used censorship laws to limit what newspapers could write about. During the 1950s the government banned New Age and its various re-incarnations and, subsequent to the banning of the ANC and PAC in 1960, it continuously banned all publications associated with or seen to be supportive of the liberation movement.

During the 1980s the "struggle press" re-emerged. Newspapers, magazines, journals, pamphlets and newsletters sprouted up to give platform to the voices of the resistance movement, including women, workers, students, the youth, rural people and local communities. Sympathetic foreign donors financially supported many publications.

Some of these were published in African languages and Afrikaans, but most were in English. For much of the period these publishers undertook to distribute their publications through their own channels, given the reluctance of mainstream distributors to provide this service (with some exceptions). Various methods were used, amongst others: selling door-to-door in communities, visits and drop-offs at factories, selling at meetings, postal subscriptions and using volunteer sellers.

Some lasted a decade or so, but were closed by the mid-1990s primarily due to a lack of funds. Ironically, by the time of the 1994 general elections, there was a less diverse press landscape than five to ten years before.

Community radio, however, started slowly nudging onto the stage as the Independent Broadcasting Authority (IBA) began its task of licensing new stations. The Jabulani - Freedom of the Airwaves conference held in Amsterdam in 1990 developed a framework for the broadcast media environment in the new dispensation. The 1994 IBA Act was in part informed by recommendations from this conference, including the need to change the SABC from a state broadcaster to a public broadcaster, the need for an independent regulator and a three-tier broadcasting system including community, public and private broadcasting.

2.2 Ownership of the media today[1]

During the past few years, there have been significant changes in the ownership, control and staffing of the mainstream media industry, albeit within definite limits. The industry experienced

unbundling, black empowerment and foreign acquisitions, public broadcaster sales, and new entrants in print, radio and TV. Some media boards' racial and gender profiles have changed, along with significant changes in newsrooms. Many journalists and editors from the alternative press occupy leading positions in the mainstream media.

Nevertheless, despite these changes, there is still considerable concentration of ownership and control. The media diet is still too narrowly focussed for a country as diverse as South Africa. While those with means can now access a wider variety of media, the majority, particularly people living outside the metropolitan areas, have experienced little change. The legacy of apartheid remains, and significant currents of thought remain marginalised.

2.2.1 Broadcasting

The SABC owns 21 radio stations, two of which are former "homeland" stations now managed by the SABC pending a decision on their future. In addition, it also owns four TV stations: SABC1, SABC2, SABC3 and BopTV, pending a decision on the future of the latter.

Six former SABC radio stations, Highveld Stereo, Jacaranda, East Coast Radio, Kfm (previously Radio Kontrei), Ofm (previously Radio Oranje) and Radio Algoa, are now owned by private groups - including various black economic empowerment groups. The eight new greenfield commercial stations -Yfm, Classic FM, Kaya FM, Cape Talk, P4 Cape Town, P4 Durban and Punt Gesels (one in Cape Town and another in Gauteng) - were licensed in 1997 and are also owned by diverse interests. Many new media owners have emerged through the licensing process, with strong black economic empowerment participation.

MIDI-TV, owners of e-TV, the first commercial free-to-air TV station, is 80% owned by local company Sabido Investments. Sabido is dominated by the investment vehicles of the National Union of Mineworkers and the SA Textile Workers Union, through Hoskens Consolidated Investments Limited. Disabled and youth groups have not been able to sustain their shares within the empowerment consortium, and these may go to the Rembrandt Group. The American conglomerate Time-Warner owns the remaining 20% - the maximum that the Icasa Act allows for foreign ownership of broadcast media.

Legislation also limits cross-media ownership, and does not allow one media group to own more than two AM and two FM stations. While e-TV is an English language station, it has to include other official languages in its broadcasts. None of the private radio stations broadcast in languages other than English and Afrikaans.

Graph 1 shows that SABC radio and TV stations command over three times more listeners and viewers (approx 48,6m) than all the other broadcasters combined (approx 13,4m). Total listenership and viewership exceed the population of the country, because most people listen to and view more than one radio and/or TV station during the course of a day. All figures are from the SA Advertising Research Foundation, which publishes a report twice a year on consumer trends. See Annexure 4 for a breakdown of SABC stations.

1. The information contained in this section goes up to the end of October 2000.

Graph 1: Listenership - public and private broadcasting
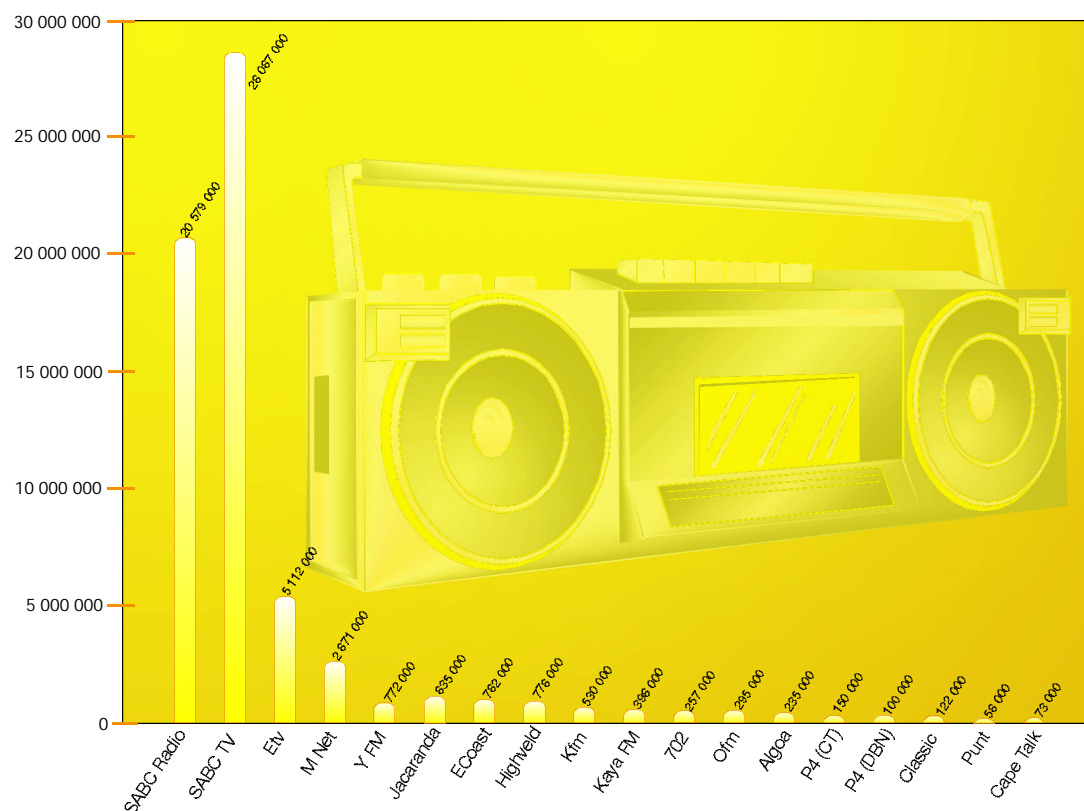
Source: Saarf Amps 2000A (Yesterday)

There are more than 80 community radio stations in South Africa. As required by law, these are meant to be non-profit and owned and controlled by the communities they serve. Most of the community radio stations serving geographic communities are based in disadvantaged areas, while most of the stations serving communities of interest target well-resourced communities. A majority of these stations are located in urban areas and broadcast predominantly in English.

ICASA is currently continuing with the process of assessing four-year community radio applications. There were 232 applications for this category of licence, but many of these applicants are competing for the same frequencies in the urban areas.

The former IBA noted in a submission to Parliament in 1999 that "already advantaged audiences have benefited most from the democratisation of the airwaves". They stated that, for example, up until the four year licensing process, there was only one community radio station in the vast province of the Northern Cape. While there are now three four-year licences in that province – one in Kimberley, one covering Upington and the surrounding areas and one in the Calvinia area - there are still huge areas in this province where, as the IBA noted, "there are no alternatives to the public broadcaster. These communities are thus often denied access to for example news about their local community".

The IBA noted that they could not on their own address the need to promote community radio licensing in under-serviced areas.
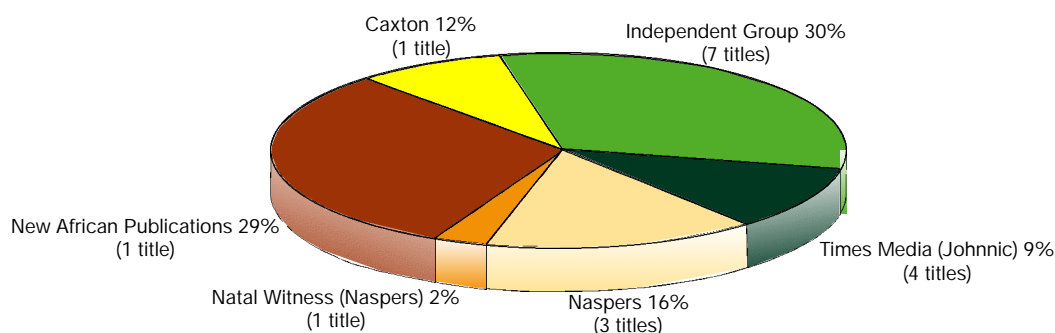
2.2.2 Print media

Mandla-Matla, a black empowerment group, bought the bi-weekly Zulu-language *Ilanga* newspaper from the Argus Group in April 1987. *Ilanga* is the only mainstream newspaper published in an African language. The Argus Group unbundled in 1994, leading to the black empowerment group New Africa Investment Limited (Nail) acquiring the *Sowetan*, South Africa's largest daily newspaper.

On the eve of the first democratic elections, the Argus Group sold its remaining titles to the Irish-based Independent Newspapers Group (ING). The ING acquired full ownership and control of *Cape Times* from Times Media Limited and added new titles to increase their ownership to 14 titles. Sixty-three percent of readers of the paid (rather than free) English-language market in KwaZulu-Natal, Gauteng, and the Western Cape read ING newspapers. The ING also commands more than 40% of the total newspaper adspend.

In 1996 the National Empowerment Consortium (NEC), comprised of black business and trade union investment vehicles, acquired a controlling stake in Anglo-American's Johnnic, owners of Times Media Limited (TML). TML owns the biggest circulation Sunday newspaper, the *Sunday Times*, and two provincial newspapers in the Eastern Cape, *EP Herald* and *Evening Post* (which has recently closed down). In addition, it owns 70% of Dispatch Media, the publishers of the *Daily Dispatch* in the Eastern Cape and 50% of Business Day Financial Mail (BDFM), the publishers of *Business Day* and the *Financial Mail*. In 1999 Nail and Times Media Limited started a new weekly, *Sowetan Sunday World*, aimed at urban black readers.

During 1996 another black empowerment group, Kagiso Trust Investments (KTI), took over Perskor, publishers of the English daily the *Citizen*. However, they soon relinquished this and Perskor merged with Caxton. Similarly, in 1997 Naspers divested itself of the Sunday paper *City Press* to a black owned group, Dynamo Investments. However, after two years Naspers resumed ownership. Naspers has also acquired full ownership of *Rapport*, leaving it as the sole owner of mainstream Afrikaans newspapers. Naspers also recently made a bid for the last family-owned paper, the *Natal Witness*.

Graph 2: Readership - Daily Newspapers

Caxton 12%
(1 title)

Independent Group 30%
(7 titles)

New African Publications 29%
(1 title)

Times Media (Johnnic) 9%
(4 titles)

Natal Witness (Naspers) 2%
(1 title)

Naspers 16%
(3 titles)

Source: Amps 2000A (June)

Graph 2 above shows current ownership patterns in the daily newspaper market. Times Media Limited includes *Business Day* and *Daily Dispatch*. The black-owned TML and NAP combined command 38% of the daily newspaper readership. However, this represents only 29% of the total number of daily titles (or 5 out of 17).

The other 50% of BDFM is owned by the UK-based Pearson Group, the publishers of the *Financial Times*. The *Mail and Guardian* is 72% owned by the UK-based *Guardian*, with a further 11% owned by the UK-based Sainsbury Trust. Graph 3 below shows the foreign owner-ship of daily newspapers in terms of the readership of all ING dailies and *Business Day* (50% owned by Pearson). It currently rests at 33%. Unlike broadcasting, there is no regulation or poli-cy limiting foreign ownership of print media.

Graph 3: Foreign vs local ownership - daily readership
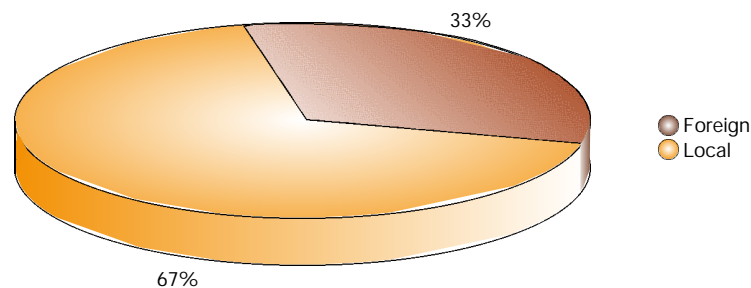
Source: Amps 2000A

Most local commercial newspapers (knock and drops) are distributed in various metropolitan areas, and target predominantly white residential areas. They are in the main owned and controlled by the big media houses. There are currently 147 titles affiliated to the Community Press Association. Naspers owns 38 English and Afrikaans local newspapers in Gauteng, Free State, Western Cape and Eastern Cape. Caxton directly and indirectly owns around 40 local newspapers in 6 provinces. Independent Newspapers owns 12 local newspapers in the Western Cape through its subsidiary, Cape Community Newspapers, while Times Media Limited owns 4 titles in the Eastern Cape.

The mainstream groups also own more than 50% of magazines published in the country. Because of cross media ownership regulations, there are few mainstream print media invest-ments in broadcasting. City Press and Independent Newspapers Gauteng own 19% each of Kaya FM. *Classic FM* is partly owned by Times Media Limited. Naspers and Johnnic Communications own effectively 28.63% and 24.72% of M-Net respectively.

2.2.3 New Media
South African on-line news and current affairs services are dominated by existing media players. Naspers owns M-web, M-web owns the on-line *Daily Mail & Guardian* and News 24.com, Johnnic Communications owns INet-Bridge and Ananzi and ING owns Independent On-Line (IOL). Primedia owns iafrica.com. Other on-line versions of newspapers include *Business Day*, *Sunday Times, Business Times and City Press. Sowetan*, *Sowetan Sunday World*, *Citizen* and *Ilanga* have not yet established on-line editions.

2.2.4 Control of the media

Control rests at three levels: policy-making, management and editorial. Policy-making occurs at the level of boards of directors. Changes in the profile of boards of directors of various media houses have mainly been in terms of racial composition, with little or no inclusion of women. Black people, particularly African males, make up the majority of board members in Johnnic Communications, New Africa Media and Dispatch Media. The boards of Naspers, Caxton and ING's International Advisory Board are still predominantly white and male.

Primedia is a major player in the broadcast industry, with shares in successful radio stations like Highveld Stereo, Cape Talk and Radio 702. It recently acquired an empowerment partner, the Mineworkers Investment Company, and its board is 64% white, 29% African, and 7% Indian.

The SABC board's composition is 42% African, 33% White, 17% Indian, and 8% Coloured, with women comprising 42%. The SABC board is appointed by the President on the basis of nominations by Parliament, to which it is accountable.

With the exception of New Africa Publications and Mandla-Matla, senior business management posts in the print sector remain largely in the hands of white males. For example, nearly all of the senior managers in the black-owned Times Media Limited (TML) are white males. While the number of black senior managers at ING has increased, it is still mainly white and male. Naspers and Caxton senior management is also predominantly white male.

The demographic profile of editors has changed significantly in recent years. Before 1994 most editors of mainstream newspapers were white males. By June 2000 there were twelve black editors out of 30 of the country's major daily and weekly mainstream newspapers, of which two were women (see Graph 4 below and Annexure 3). Since then one of the women editors has left the industry. There are more women – mainly white – who occupy editor positions in the magazine sector.

Graph 4: Demographic profile: Mainstream newspaper editors
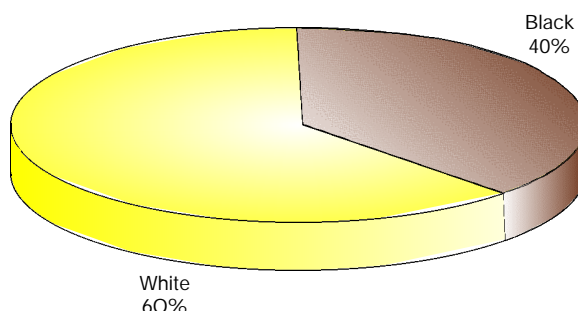
Black
40%

White
6O%

Source: See Annexure 3

There have been significant demographic changes in broadcasting. Previously, almost all news editors were white and male. Today, SABC news editors at regional and national levels are predominately black male, with one woman regional editor. The proportion of black news editors in the private broadcasting stations is 56%, while the number of women editors stands at 44% (see Graphs 5 and 6 below).

Graph 5: Racial demographics: Private broadcasting editors

Coloured 25%
African 25%
Indian 6%
White 44%
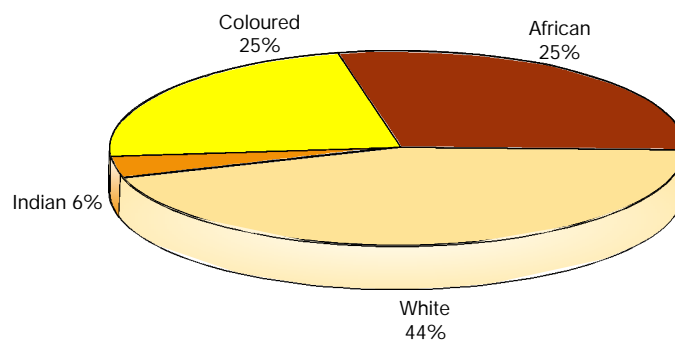
Source: See Annexure 4

Graph 6: Gender demographics: Private broadcasting editors

Male 56%
Female 44%
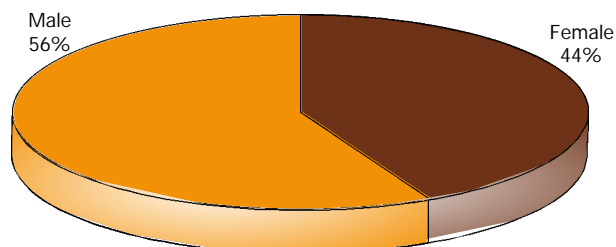
Source: See Annexure 4

While changes in ownership, management and the newsroom have had some impact on the editorial content of newspapers and radio stations, in many cases little has changed. Black and trade union investors have been cautious about broadening or altering the market orientation of profit-making ventures.

2.3 Distribution and accessibility of media in South Africa

2.3.1 Printing and distribution infrastructure
The Comtask Report identified ownership and control of the distribution and printing infrastructure as critical areas that need to be addressed in order to promote media diversity.

The mainstream media own and control the bulk of printing and distribution infrastructure.

Times Media Limited and Independent Newspapers jointly own the Johannesburg-based The Newspaper Printing Company; and together with New Africa Publications they own Allied Distribution Limited. Naspers owns National News Distributors (NND) and printing presses in Johannesburg, Bloemfontein, Cape Town and Port Elizabeth. Caxton/CTP owns Johannesburg Newspaper Printers, Cape & Transvaal Printers (CTP) as well as various smaller printing outfits across the country. New Africa Publications uses the Caxton printing press and Allied Distribution Limited to print and distribute the *Sowetan* and *Sowetan Sunday World.*

While there has been collaboration amongst various publishers around distribution, they continue to own and run different distribution networks. Newspapers in SA are distributed to retailers who sell them on a commission basis.

Print and distribution infrastructure is concentrated in metropolitan centres, and innovative ways to distribute newpapers to disadvantaged communities in rural and peri-urban areas have yet to emerge.

Local independent newspapers are usually dependent on printing presses owned by their competitors.

2.3.2 Signal distribution

The Icasa Act allows for three different tiers of signal distribution (namely public, private and community). Sentech is licensed as a common carrier – and cannot refuse to carry the signal of any licensee. This requirement is seen as necessary to ensure access to distribution. However, because of concern that the tariffs charged by Sentech prohibit small stations from using this service, the Broadcasting Act requires that Icasa perform an inquiry into tariffs. The majority of public, private and community radio stations use Sentech.

Signal distributors can also apply for a licence which does not carry the obligations of the common carrier. The Johnnic-owned commercial operator, Orbicom, is the only distributor currently licensed under this section of the Act. Orbicom provides signal distribution services to M-Net and DSTV.

In addition, stations can apply to distribute their own signal. Through donor funding some community radio stations opted to buy their own transmission equipment. However, they still face additional costs for maintenance, and cannot afford equipment needed to analyse and monitor the spectrum to avoid destructive wave interference.

There are millions of South Africans who cannot receive television and radio signals. In addition, where signals do exist, they are not always used, given the lack of means of many communities to access them.

As Table 1 shows, on 1 June 2000, 18.6% of the national population, or 7 781 114 people, did not receive Grade B FM radio reception (which is the standard reception available on portable radios). KwaZulu Natal, Mpumalanga, Northern Province and Eastern Cape each have more than 1 million people with no access to any FM radio service. These provinces also have the poorest newspaper distribution.

Table 1: Population without Grade B (i.e. standard) FM Reception from any service as at 1 June 2000			
Province	Population	Provincial population without Grade B fm radio signal	Percentage of provincial population without Grade B signal
Mpumalanga	3 033 1000	1 103 571	36.4 %
Northern Province	5 332 3000	1 067 945	20 %
Eastern Cape	6 621 5000	1 650 001	24.9 %
Western Cape	3 732 6000	331 965	8.9 %
Gauteng	7 090 8000	256 890	3.6 %
North West	3 469 4000	392 756	11.3 %
Free State	2 851 3000	601 258	21.1 %
Northern Cape	760 6000	206 845	27.2 %
KwaZulu Natal	8 870 9000	2 169 883	24.9 %

Source: Sentech

2.3.3 Language

The Constitution promotes the use of all 11 official languages. The challenge for South Africa is to implement the new language policy in an environment characterised by a legacy of the marginalisation of African languages on the one hand, and resource constraints.

While there are a variety of languages available on radio, Ilanga is the only mainstream newspaper published in an African language, Zulu. Its readership has been growing over the years, from approx 750 000 in January 1998 to approx 1 350 000 in June 2000.

SABC research done in 1996 indicates that English as a television language enjoys "high aspirational value" among African language speakers. While South Africans seem to prefer watching television in their home language, English is their second choice. This partly explains the predominance of English on the SABC. However, the public broadcaster recognises that there is space for more unique language programming, but has found it difficult to implement this because of huge resource constraints.

The IBA's 1995 Triple Enquiry Report recommended that the SABC language services be extended to cover 80% of the target audiences. This is very nearly completed and extends the right of access to broadcasting in listeners' home languages. This, however, refers to national or regional languages, and not local languages.

During 2000 the SABC launched a Khoi and San language public service in the Northern Cape, and one of the new community radio licensees in the Northern Cape also produces programming in these languages.

2.3.4 Socio-economic conditions

There are approximately 3,5 million illiterate adults in South Africa with the majority based in rural areas. Besides word-of-mouth and community theatre, the only means of accessing information for these adults is through radio and television.

The situation in the Northern Province illustrates the extent of the problem. According to the 1996 Census, the Northern Province had 4 929 368 people which constituted 12.1 % of the national population. The province had a very large rural population (89%) as opposed to a national figure of 46.3% people in rural areas. This very rural population also had a low level of education with 36% not having been to school. The Census also shows the province had a high level of unemployment, namely 46.3% of people between the ages of 15 and 65 years. Of the employed people, 41,4 % earned less than R500 per month. The population also had a higher proportion of women (54,3%) than other provinces.

Considering the combination of low levels of education and income as well as high unemployment, services such as newspapers and television are inaccessible and too expensive for a large section of this province's population. This overall trend can also be found in other provinces though each province has its unique features. A strategy to develop diversity of media should take into account the needs and socio-economic conditions of each province.

2.3.5 Media circulation and access to media

South African media has a history of bias towards urban areas. All national newspapers *(City Press*, *Sowetan*, *The Star*, *Business Day*, *Sunday Times)* have around 50% of their circulation in the predominantly urbanised Gauteng (population 7 million) which is more than their circulation in the predominantly rural Northern Province, Mpumalanga and North West provinces combined (population 11,8 million). In the Western Cape province, *Cape Times*, *Cape Argus* and *Saturday Argus* have more than 90% of their respective sales in the Cape Town metropolitan area.

The development of community radio has also been uneven. The majority of community radio stations are in urban areas and the more urban provinces. Gauteng alone has around 36% of all community radio stations. Nearly all community radio stations in rural areas have been established through donor support.

Four of the six SABC stations sold to commercial operators in 1997 are based in the metropolitan areas of Gauteng, KwaZulu-Natal and Western Cape. Subsequently, the IBA licensed seven commercial radio stations in the same metropolitan areas. Icasa is committed to conducting viability studies for private stations in "secondary" towns during the 2001-2002 financial year. It should be noted that the majority of the greenfields or new private stations licensed in 1997 are struggling financially.

The fact that mainstream media distribution is primarily informed by commercial factors means that people in disadvantaged communities are left out of the information loop. For example, while the Northern Province has a bigger population than the Western Cape, there are no commercial newspapers and radio stations based in the area. Communities rely on Johannesburg-based newspapers and the SABC African language radio stations – and in some instances community radio.

2.4 The advertising industry

Advertisements represent income generation, the lifeblood in most cases of a media project's survival. Lack of advertising has commonly been a cause of small independent publications closing down.

2.4.1 Adspend – race, class and LSMs

Black and community media practitioners have vehemently protested against perceived bias towards their print and broadcast media (see *Enterprise*, March 2000).   They argue that, because the advertising industry is still predominantly white, there is a lack of understanding of black markets and this results in adspend that is heavily skewed against media that primarily serve black consumers, despite their readership and listenership figures.

Table 2 and Graph 7 below show advertising income and listenership figures. Advertising income is skewed in favour of stations that target predominantly white listeners, such as Jacaranda, Highveld and 5fm, even though their listenerships are lower.

Table 2: Advertising income and listenership		
Station	**Advertising Income Nov 99 R'000s**	**Rams Nov 99 '000s weekly**
Jacaranda	13 760	1 072
Highveld	13 679	797
5fm	10 480	1 264
Metro fm	10 265	4 666
Ukhozi	10 193	5 990
Kfm	5 601	615
RSG	4 256	1 552
Radio 702	4 073	425
Yfm	2 795	1 284
Cape Talk	1 548	65

Graph 7: Advertising income and listenership
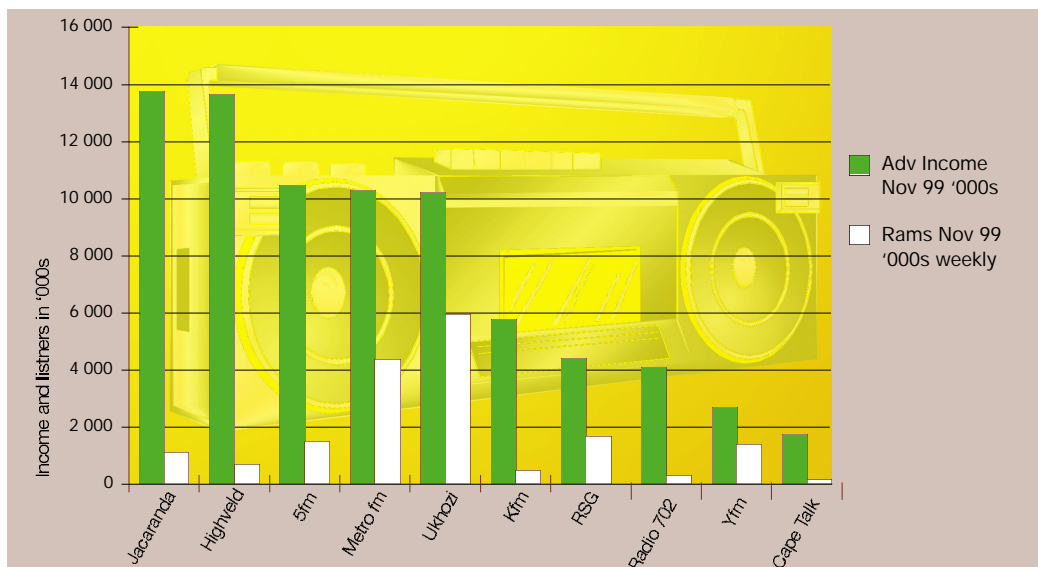
Source: ACNielsen and Saarf Nov '99

Compare Highveld Stereo's listenership of 797 000, with Ukhozi fm's 5 990 000. Ukhozi fm has the biggest listenership in our country. In November 1999 Highveld received R13, 67-million in advertising income while Ukhozi got R10, 26-million.

Put another way, as Graph 8 below shows, in November 1999 each Radio Highveld Stereo listener represented a value of R17.20, whereas each Radio Ukhozi listener represented a value of R1.70 per listener.

Graph 8: Value per listener

Source: Own calculations from ACNielsen and Saarf 1999

In Graph 8 above, the seven radio stations with the top value per listener all have a predominantly white listenership. Graphs 7 and 8 show that radio stations with predominantly white, and smaller listenership enjoy the lion's share of adspend, whilst the predominantly black listener stations (with the bigger listenership) earn proportionately far less in advertising income.

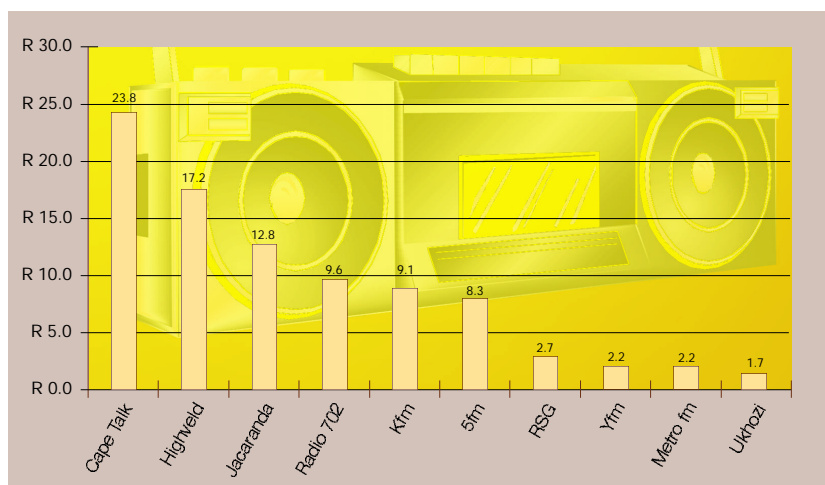The print media have similar complaints. *Sowetan*, for example, sells 211 000 copies a day, and has a daily readership of 1 807 000. This is significantly greater than other daily newspapers such as *The Star* with 537 000 readers, *Beeld* with 446 000 readers, and *Citizen* with 605 000 readers.

However, the newspaper struggles to attract advertising. In their submission to the Human Rights Commission's hearings on racism in the media, *Sowetan* reported that some advertisers have told them that it is because 99% of their readers are black, and do not buy their products.

Advertisers argue that they go where their market, or potential market, is, and the readers of publications such as *Sowetan* do not in general buy high-end products. They deny that race is a factor, and argue that Living Standards Measurements (LSM) and other 'objective' segmentation tools are the only measures they use. LSMs divide the population into different groups depending on their ownership of particular appliances and their consumption patterns.

However, *Sowetan* argues that advertisers do not, in their case, follow LSMs. In their submission they show that of the 1 807 000 Sowetan readers, 1 107 000 are in the coveted middle-to-high

income LSM categories of 6, 7 and 8. That is, over 60% of *Sowetan* readers have money to spend and should be a target for advertisers.

The advertising industry counters that another, more hidden, dimension of the picture is the effectiveness of the sales departments of individual media companies. Those who invest substantial resources in their advertising sales departments usually reap benefits that outweigh their audience figures, and vice versa.

2.4.2 Changes in the industry

Whatever the determining factors, there seems to be a correlation between patterns of adspend, race and class. The advertising industry, which includes advertising agencies, marketers, advertising brokers, and production companies, remains unreflective of South African demographics. White middle class men dominate advertising agencies, and young white women dominate as media planners. They influence decisions as to where adverts should be flighted, and therefore where the money is spent – which are often in media that is familiar to media planners.

Marketers and advertising agencies have industry-based organisations. The members of the Association of Marketers (Asom) represent 70% of the adspend in the country. Advertising agencies are represented by the Association of Advertising Agencies (AAA). The AAA and Assom, amongst other stakeholders, refer to the South African Advertising Research Foundation (Saarf) research in making choices and decisions around advertising. Saarf's board of directors, and its audience measurement councils that advise on surveys, are still unrepresentative of the country's population.

There are, however, signs of change in the industry. Saarf, for example, is attempting to widen participation in its structures, and in 2000 AAA produced a transformation charter which requires 40% of agency staff to be "people of colour" within four years.

The MDDA will need to join efforts to encourage the transformation of the industry, such that it meets the needs of all sectors of the media. Diversity promotion in the advertising industry include addressing:
- Representivity amongst owners and staff, including market researchers, creative directors, planners, and buyers.
- Media planning practices.

Nevertheless, it is recognised that, even in a transformed environment, advertising and marketing ultimately respond to market factors relating to income and class. This implies that media serving poorer communities will always struggle to attract advertising, and will, therefore, find it difficult, under 'pure' market conditions, to survive. This reinforces the view that initiatives such as the MDDA are needed to promote media development and diversity.

2.5 Summary of the context and need for the MDDA

Whilst much has been done in recent years to address problems of media diversity in South Africa, it has clearly not been enough. Experience has shown that, in South Africa, market forces, opportunities for licences and changes in ownership alone cannot achieve this fundamentally important media transformation.

An instrument such as the MDDA will contribute to further media development and diversity, especially with regard to marginalised communities. The MDDA is needed to find solutions to obstacles to development and diversity, including:

◗ The concentration of media in metropolitan areas.
◗ The low density of media infrastructure.
◗ The restrictions of access to distribution for community and small commercial media enterprises.
◗ Lack of resources to support the growth of community and small commercial media enterprises.
◗ The legacy in media organisations of inadequate education, training and advancement of black South Africans.
◗ Challenges of illiteracy and aliteracy.
◗ The media's failure to adequately use and promote indigenous languages.
◗ The need to encourage framework and environmental conditions conducive to the promotion of development-orientated news and information.
◗ Challenges posed by the rapid development of new media, including the need for new skills and greater telecommunications access.

3 Drawing on experience

Since the beginning of the century, many governments have recognised the importance of a free and diverse press – and the inability, in many places, of market forces alone to guarantee it.

Since the 1950s, many Western European countries have put mechanisms in place to safeguard media diversity. This intervention increased in the 1960s and 1970s, when the closure of newspapers accelerated concentration of ownership. This remains the global trend in the media industry today, intensified in more recent times with increased multinational media monopolies. Concerns about diminishing diversity both within nations and across the globe have increased.

The idea of creating instruments to promote, ensure and entrench media development and diversity are therefore not new. The MDDA will have a character, role and function that will be determined by South Africa's unique circumstances and development imperatives.

In conceptualising the MDDA and its role, government has considered the structures, operations and experiences of several relevant South African statutory and self-regulatory bodies. Section 8 provides an outline for the MDDA's relationships with other bodies. We, therefore, have the advantage of drawing on other countries' experiences – successes and failures - as well as our own.

3.1 Media diversity models in other countries

Many countries have identified media diversity as being important for promoting sovereignty, cultural expression, education and development. Besides funding the public broadcaster, some countries have found it necessary to use additional measures to ensure diversity. These initiatives have primarily been in the developed democracies of Western and Northern Europe.

Some developing countries are, however, starting to recognise the need for a support mechanism to ensure the development of a truly diverse and plural media environment. For example, the Chilean parliament has been called on to ensure there are public subsidies to guarantee pluralism of the press.

3.1.1 Dealing with media concentration
Examples of countries that have grappled with the issue, and established specific mechanisms for promoting diversity, include: Australia, Austria, Brazil, France, Germany, Netherlands, Norway, Sweden, and the United States of America.

In most cases in Western Europe, the subsidy schemes were initiated after journalists, editors and publishers, as well as civil society organisations, called for them. Naturally, each country has its own specific obstacles, and varying levels of success from their initiatives.

Swedish interventions to break prevailing tendencies towards media concentration appear to have been successful. But Austria has been cited as an example that has not been successful. This is because regulations were implemented after the largest mergers had taken place, and regulations were not retrospectively implemented.

3.1.2 Diversity and development mechanisms
The kind of mechanisms used to promote diversity has varied, and continues to vary from country to country. Mechanisms include:

Direct subsidies for newspapers including:
◗ General subsidies such as telecommunications, postal rate, and carrier advantages.
◗ Selective subsidies, for example, for newspapers with low advertising resources.
◗ Once-off aid packages, for example, to strengthen the financial position of the press, foster plurality of sources and promote diversity of content.
◗ Assistance funds for provincial newspapers with low advertisement income but important in general and political interest content.
◗ Establishment grants.
◗ Loans.

Indirect subsidies, including:
◗ Value-added tax concessions.
◗ Limiting advertising on state television – to attempt to compensate newspapers' loss of advertising income due to the swing to television adspend.
◗ Joint distribution rebates for newspapers that share distribution.
◗ Grants for research, education content, and journalists' training - to improve the quality of journalism.
◗ Subsidies to promote the labour market. Subsidies to build printing plants and premises, or buying new machines and technical equipment. (This only exists in Austria, but with no evi dence of jobs being created.)
◗ Reduced tariffs for postal delivery and rail transport.
◗ Regulating advertising and competition to provide a reasonable framework for diversity.
◗ Preferential tax rate for profit reinvested in new technology or development.
◗ Exemptions from corporation tax for printers, publishers, and press agencies.

Australia's Community Broadcasting Foundation (CBF) was established as an independent agency. It receives grants from the Department of Communications, Information Technology and the Aboriginal and Torres Strait Islander Commission. The CBF funds community radio, community television, Aboriginal and ethnic programming. This has greatly contributed to diversity, with support given to a large number of the 150 community radio stations in the country, out of a total of 445 radio stations.

Developing countries have not generally used direct aid to enhance media diversity. But some have established framework conditions, and implemented indirect measures to address some of the problems. For example, various Asian countries, including South Korea, Singapore and India, have over the years developed mechanisms to enhance diversity through anti-trust regulations and/or preferential tariffs on essential services, including postage, telecommunications, rail and telegraph. Brazil uses its federal constitution to prevent foreign ownership. It also has regulations to limit cross-media ownership, and provide for public access television channels.

In the SADC region, there are various government and non-governmental initiatives aimed at promoting freedom of expression and media diversity. These include the SADC Protocol on Culture, Information and Sport, the 1991 Windhoek Declaration and the Southern African Media Development Foundation (Samdef).

3.1.3 Sources of funding
Press subsidy schemes are most often funded directly by government. The government department responsible for arts and culture, or communication, usually collects a levy from the media industry. It then makes a direct disbursement to a press council, or in some instances, directly to the newspapers. The levy is legislated in most of the countries looked at.

Several of the European countries have a tax on advertising. But they do not necessarily link it to funding press subsidy schemes.

Austria has no national tax on advertising. But regional and local authorities charge a tax on advertising.

In France, the levy on advertising does not only fund the press subsidy scheme. It is also a lucrative source of income for the government. Legislation states that the annual general budget should fund the press subsidies. However, there is a legislated national tax on public and private television advertising revenue. This tax only funds daily national and regional newspapers with limited advertising revenue. But the amount collected in 1994, for example, was much higher than what was handed out in subsidies.

In Sweden, legislation imposes a levy on all advertising to fund the press subsidies. This levy is 10%, except on newspaper advertising, which is 3%.

The Netherlands' Press Industry Fund is financed by income from a levy on both public service and commercial television advertising, which is limited to 4%.

3.1.4 Open Channels
In several countries there are public access television channels, mostly on cable. Cable operators in some countries are obliged by law to provide public access channels on their services.

In Germany, the public access channels are funded by 1% of the television license fee that is paid to the national public broadcaster.

In Brazil, cable operators are obliged to make the channels available and educational or community groups have to fund and produce their own programming.

In the United States of America, there are more than 2 600 public access TV channels. Most are distributed over cable, though some are relayed via microwave from colleges and university campuses. These are funded through a fee from cable operators as well as municipal concessions.

3.1.5 Common carriers for print distribution
Some countries have implemented provisions to ensure that distributors of print media carry smaller publications. The experiences of Sweden, France and the UK are instructive.

The Swedish National Post Office and the Swedish International Press Bureau have, since 1969, been responsible for organising the nationwide delivery of Swedish press, through four competing national subsidiaries. In addition, there are two regional delivery companies. All of these are completely independent of the newspapers themselves. The object of the scheme has been to:
- reduce distribution costs by abandoning individual private distribution,
- accept the principle of the same price per copy for papers regardless of distance, and
- increase the chances of market access of secondary papers.

This form of distribution is made possible through the state subsidising the co-operative distribution ventures, based on the number and weight of the newspapers distributed.

According to a study by Paul Murschetz (State Support for the Press, 1997), "the effect was to counteract the relative advantages of market leaders, of large scale distribution and at the same time to compensate them for the additional expense of co-operation with the secondary title. The system was based on voluntary participation and joined by practically all Swedish dailies."

France has implemented a range of measures, including:
◗ Reduction in social security contributions and taxation for hawkers and vendors of newspapers.
◗ Exemptions from corporate tax on newspapers distributors.
◗ Contributing to the modernisation of distribution costs through encouraging the development of a national newspaper distribution agent.

The United Kingdom has a system of newspaper distribution whereby newspapers are sold to wholesalers who in turn sell them to news agents. News agents are required by an industry Code of Practice, which complies with statutory requirements, to meet a Minimum Entry Level (MEL) before they can start operating. According to the UK Office of Fair Trade, "a wholesaler cannot refuse supplies if the news agent meets the MEL". Between 1992 and 1999 the number of news agents grew from 44 474 to 55 090.

3.2 Learning from our own experiences

South Africa has had some media development and diversity initiatives. These have been unsuccessful, largely because they have been premised on voluntary media industry funding and because of disagreements around such voluntary commitments.

3.2.1 The Independent Media Diversity Trust (IMDT)
In the early 1990s, as hopes for a democratic political dispensation in South Africa grew, discussions and debates emerged around sustaining and promoting media diversity. Mainstream media and advertising industry representatives largely argued that media should be left to market forces. Alternative press representatives, amongst others concerned about diversity, argued that, left to free enterprise, diversity would wither and die. They argued that market forces in the media industry largely ignored the needs of audiences unattractive to advertisers, and that the industry's stranglehold on printing and distribution outlets severely restricted the growth of the alternative press.

The latter proved to be true, with many independent and community media titles disappearing in the mid-1990s. The media projects experienced other obstacles, like lack of access to effective marketing and distribution, unskilled management and lack of access to cheap finance.

In the lead up to democratic elections, foreign funders began exerting pressure on a range of the alternative press projects to become self-sufficient. Many foreign funders were, in the longer term, looking towards redirecting their funding to other social needs.

Representatives of the alternative press began to hold formal discussions around strategies to sustain and promote diversity. Amongst the publications engaged in discussions about setting up a media diversity trust were what later became the Independent Magazines Group (IMG):
◗ Challenge (human rights orientated church publication)
◗ Learn & Teach (newly literate adults)
◗ South African Labour Bulletin (workers)

- Speak (women workers, women's rights)
- Upbeat (youth)
- Work-in-Progress (political and development issues).

Another group which was formed in 1991 to find solutions to their financial crises, the Conference of Independent Editors (Cine), was also involved in discussions around a media diversity trust.
They included:
- *New African* (a largely provincial newspaper that supported the ANC)
- *New Nation* (a national ANC aligned newspaper)
- *South* (provincial newspaper)
- *Vryeweekblad* (national, progressive news approach for white Afrikaans-speakers)
- *Weekly Mail* (national independent newspaper).

Through lobbying stakeholders, the Independent Media Diversity Trust (IMDT) was established in 1993 to help sustain and promote media development and diversity. Funds for the Trust were raised from the media industry - the Argus Group in particular - and foreign funders. However, the IMDT was doomed to failure because funding was entirely voluntary, and the media industry slowly pulled out.

The IMG, and some of the newspapers in the Cine group, received some funding through the IMDT, through which a few foreign donors, like the European Union and Novib, channelled funds. Of those in the IMG, only two still exist, and one of them, the *South African Labour Bulletin*, receives some support from the Department of Labour. Only one newspaper, the *Weekly Mail*, now called the *Mail & Guardian,* survived, mainly through its acquisition by the UK *Guardian*. A wide range of community newspapers in different parts of the country have also closed down, mainly due to funding problems.

The IMDT closed its offices in 2001.

3.2.2 Print Development Agency (PDA)
In 1998 the IMDT, the community media sector and the Independent Publishers Association of SA, in conjunction with Print Media South Africa (PMSA), tried to establish this agency to support print media. It was to be funded by all the major media houses. However, this initiative fell apart early in 2000, amidst disagreements around mainstream media commitments. The PMSA at that stage could not make a long-term financial commitment to the PDA. Community media withdrew from the initiative, fearing a possible repeat of the IMDT experience where the mainstream media did not sustain its stated commitment.

The PMSA resolved to go it alone and establish a Print Development Unit to help support potentially viable newspapers in various communities. PMSA has since committed itself to the MDDA initiative.

Voluntary mechanisms have been shown to be unsuccessful in a sector as dynamic and competitive as the media industry. The failure of both the IMDT and PDA initiatives has shown that there is a need for a legislated mechanism to promote media development and diversity. It is this need that the MDDA will fulfil.

4 The Media Development and Diversity Agency

The MDDA will, through its various roles, functions, programmes and activities, help promote and implement media development and diversity for the benefit of all South Africans. It will, by becoming a resource for the whole nation, act as a catalyst for further media transformation such that all citizens are better informed and better able to exercise their democratic rights.

4.1 The MDDA's vision and mission

Vision
The MDDA's ultimate vision is for:

A thriving South African media reflective of the population it serves through:
◗ Participation by all groups and interests as owners, managers, producers and consumers of media.
◗ A diverse media infrastructure that provides relevant content to South Africa, Africa and the world, and is conducive to a public discourse that reflects the needs and aspirations of all South Africans.

Mission
The MDDA's mission will be to:
◗ Promote development by creating an enabling environment for sustainable media diversity in South Africa and thereby deepen democracy.
◗ Increase access to media for all citizens, as consumers and producers, and, in particular, ensure that the voices, aspirations and images of marginalised sectors such as women, the youth, people who are illiterate, rural people and people with disabilities, are heard and seen.

4.2 The MDDA's role

The MDDA's role will be to:
◗ Help develop a more diverse media industry through support for community and small commercial media.
◗ Promote media research and an informed public discourse around issues of media development and diversity.
◗ Seek to remove obstacles to media development and diversity by, amongst other things, making recommendations to government and the media industry.

4.3 Aims and objectives

To accomplish its mission, fulfil its role, and achieve its objectives, the MDDA will promote media development and diversity by:
◗ Identifying, through research, under-serviced areas and facilitating project development in these areas.
◗ Providing support - including funding, training and capacity building – to, in the first instance, community media, as well as small commercial media.
◗ Stimulating debate and creating awareness about the importance of media development and diversity.

◗ Addressing obstacles to media development and diversity issues with relevant bodies.
◗ Ensuring public participation through having transparent procedures and giving clear reasons for any of its decisions.
◗ Supporting media research on issues of relevance to media development and diversity.
◗ Playing a part in efforts to promote media development and diversity in the SADC region, Africa and other parts of the developing world, through networking and information-sharing.
◗ Forging relations with media initiatives seeking similar aims in all parts of the world.

Through these activities, the MDDA will promote conditions conducive to media development and diversity, and thereby to media freedom and democracy.

4.4 The MDDA's powers and mandate

The MDDA's main mandate will be to promote media development and diversity through the support of community as well as small commercial media enterprises, and through research.

The MDDA will be an independent statutory body, and will not interfere in the content of any newspaper, television or radio station.

The Agency will work together with other bodies dealing with, amongst others telecommunications, film and video, in order to achieve effective coordination and avoid duplication. These include other statutory bodies such as the Universal Service Agency and the Independent Communications Authority of SA (Icasa). Broader issues, such as that of concentration in the media industry, will be left to bodies such as the Competitions Commission.

While the MDDA may make recommendations, after public consultations, to government and the media industry on issues concerning media development and diversity, these will not be binding, as the Agency will not have regulatory powers.

It will also:
◗ Consult with all state and statutory institutions dealing with issues within its mandate.
◗ Consult with relevant self-regulatory bodies, industry associations and organisations of civil society on issues of common interest.
◗ Develop internal policies that are informed by ongoing research and evaluation.

4.5 Independence and accountability

The MDDA will be an independent, statutory body at arms-length from government, private sector interests, donors as well as beneficiaries. To ensure its independence and accountability the Agency will:
◗ Act through a broadly representative board, which will account to Parliament.
◗ Be independent and subject to the Constitution and the Public Finance Management Act No.1 of 1999, as amended by Act 29 of 1999.
◗ Function without any political or commercial interference.
◗ Arrange an annual meeting with stakeholders in the media industry to give a report on the Agency's activities.

5 Who will benefit from the MDDA?

South Africans and South Africa as a whole will ultimately benefit from the broadening media spectrum available to them. Direct beneficiaries of the MDDA will include individuals, communities and groups which have been historically and geographically disadvantaged or marginalised and remain marginalised.

Increased consumption and production of media will benefit the media and advertising industry as a whole by expanding media consumption and access to local markets, and developing a critical mass of content for export.

To facilitate access to marginalised areas, the MDDA will look into the feasibility of establishing a presence in various parts of the country. This could be in the form of mentors based at existing institutions who would build the capacity of marginalised communities to develop project proposals.

The MDDA will use up to date research in making decisions around funding priorities, according to detailed criteria set out in regulations.

The MDDA will support amongst other things:

◗ Community media enterprises .
◗ Small commercial media enterprises (primarily by facilitating access to low-interest loan finance).
◗ News agencies located in marginalised areas of the country.
◗ Specific diversity oriented projects such as special reading broadcasts, indigenous language promotion, easy reading editions, and non-governmental organisations that produce easy access media in various formats, such as Braille and broadcasts for the deaf.
◗ Training and capacity building programmes aimed at community and small commercial media, including bursaries in media-related studies.
◗ Media research to promote an informed public discourse around media development and diversity.
◗ Networking amongst community and small commercial media nationally, regionally and globally.

6   The nature of the support given by the MDDA

The MDDA will aim to be cost-effective in allocating and disbursing its funds, and it will attempt to be creative in its support mechanisms to respond to unique needs. In addition, the MDDA will form strategic partnerships to identify, gather and distribute resources for media development.

MDDA support will include, amongst others:

- ◗ direct subsidies
- ◗ indirect subsidies
- ◗ emergency funding
- ◗ training and capacity development
- ◗ project evaluation
- ◗ research.

The identification of these support areas does not in any way imply that other bodies currently providing such support should cease their activities. Rather, it is anticipated that the MDDA will work in close co-operation with such bodies to maximise resource coordination and to further strengthen existing media development and diversity initiatives.

6.1 Direct subsidies

Direct subsidies are cash grants made to community media enterprises and may include subsidies for capital costs and operational costs, as well as various forms of capacity building through amongst other things feasibility studies, forensic audits, and project evaluations where applicable.

Application costs could include the cost of a mentor who will, as part of an initial capacity building exercise, assist an approved applicant in making a detailed application to the MDDA. This functions as part of an initial capacity building exercise, which will be expanded on by the development of comprehensive business plans for successful applicants. Funding for application costs will be available to both community and small commercial media enterprises.

Funding to assist with capital and operational costs for a limited period, however, will be confined largely to community media enterprises. Support for capital costs will primarily be aimed at new community media projects as part of start–up assistance.

Operational costs could include distribution and printing where applicable. Support will be to assist projects over a specified period to increase the chances of longer-term project sustainability.

6.2 Indirect subsidies

Indirect subsidies are grants to support the development of an enabling environment for media development and diversity. The MDDA will negotiate with public utilities such as Sentech, Telkom and the Post Office to provide indirect support, including the feasibility of discounts for signal distribution, postal rates, telephone tariffs and so forth.

In addition, the MDDA will negotiate with financial institutions to provide low-interest loans to small commercial media enterprises.

Further indirect subsidies and support may include managerial and business expertise through government business development schemes.

The feasibility of tax reductions for special cases would need to be investigated.

6.3 Emergency funding

Emergency funding is primarily aimed at fast tracking the application procedures of projects in urgent need which, in the absence of funding, would possibly face closure.

To do this, the Agency will consider a number of criteria, including amongst others, whether:
◗ The project declared a significant surplus or profit for at least two years before (in this case loan finance can be considered).
◗ The demise of the project would reduce diversity in the area or sector it serves.
◗ The emergency funding would ensure the strengthening and survival of the project, and not just postpone inevitable closure.
◗ The project has followed sound management and financial principles, and if not, has instituted corrective action.

6.4 Training and capacity development

The MDDA will facilitate training as part of its capacity development programmes, and will use the facilities of recognised training institutions with established track records of excellence.

The MDDA will consider, amongst others, the following:
◗ Skills development in all facets of media work, including financial and organisational management, as well as media product and programme development, with particular emphasis on supporting the development of skilled media practitioners from marginalised sectors.
◗ Building capacity in communities to establish media projects, including on how to apply for MDDA funding, how to draft comprehensive business plans and how to apply for radio or other licences.
◗ Building the capacity of community media to network and participate in the policy process.
◗ Supporting training institutions to include issues concerning media development and diversity in their curricula, including a development and community journalism training programme.
◗ Facilitating the establishment of a bursary or loan scheme to fund training at approved institutions.

Training support will include the cost of organisational as well as staff development at centralised or on-site locations.

Programme development for broadcast projects may include the costs of transport, meals, accommodation, workshops, advertising and marketing, consultants, and the hiring of studio and/or equipment.

Community television will initially take the form of Video Access Centres (VACs), which will be facilities for communities to produce their own documentaries. Specific capacity development applicable to VACs will include a Programming Fund, which is aimed at assisting producers to develop programmes for communities. In addition, the marketing and distribution of VAC products will be supported, including the negotiation of air time with the SABC and other television stations.

Networking support will include the costs of conferences, seminars, workshops and other policy related work of umbrella bodies representing community media.

6.4.1 Literacy

According to Statistics South Africa, there are approximately 4 million South Africans over 15 years old who are illiterate, and a further 3,5 million adults who are functionally illiterate or alliterate. The MDDA would pay special attention to their needs within our media environment. Promoting literacy and a culture of reading is important for both individual and national development. The MDDA will liase with the Department of Education, other relevant departments, and literacy organisations in considering support for literacy material production, and promoting reading within the scope of the MDDA.

Of particular focus initially, would be:
◗ Funding accessible formats such as special easy reading supplements, inserts and pages in mainstream newspapers and other publications.
◗ Materials produced in marginalised languages – particularly African languages.
◗ Funding non-governmental and community-based organisations' publications aimed at newly literate adult readers.

6.5 Project evaluation

The MDDA will ensure regular assessments of projects both prior to a funding decision as well as throughout the relevant MDDA funding cycle. This may include:

◗ Feasibility studies for new media projects to assess the need, nature and level of support at the outset of the funding cycle.
◗ Forensic audits for existing media projects to determine obstacles to self-sufficiency and consequently, to determine funding requirements.
◗ Performance evaluations, which will be conducted at the end of the first half of the funding cycle to assess achievements, identify any obstacles and take the necessary corrective actions where applicable. The MDDA's evaluation of projects will be solely in relation to the agreements signed between the MDDA and funding recipients.

6.6 Media research

The MDDA will, on a regular basis, commission research into the media and information needs of communities, as well as the economic and social viability of media projects. This includes identifying obstacles to sustainability and proposing solutions, and guiding future project support priorities.

One of the first research investigations will be into the needs of print media, in order to develop a more comprehensive support programme. This will include looking at obstacles to print

distribution (see 6.6.1). The MDDA will also conduct research into new electronic media (see 6.6.2)

In addition, the MDDA will fund objective and dispassionate research on various media issues in the interests of media development and diversity, to stimulate informed public debate. This will be done in collaboration with other research bodies, and will usually take the form of calling for proposals around specific research themes. Research findings will be publicly available, and will be used to stimulate an informed public discourse around media issues.

Further MDDA research topics may include:
◗ Progress towards media development and diversity.
◗ Ownership and control patterns, and empowerment trends.
◗ Identifying under-serviced areas and information gaps, for example access to material in Braille.
◗ Funding trends in the media.
◗ The advantages and disadvantages of placing limits on foreign ownership.
◗ The sustainability of community media, and the potential development of community television.
◗ Enhancement of media related market research methodologies – but the MDDA will not do market research itself.
◗ The relationship between concentration, cross-ownership and diversity.
◗ Language trends in the media.

6.6.1 Print distribution
The MDDA will conduct research around print distribution which will focus on mechanisms to facilitate greater access to media in "uneconomic" areas, and mechanisms to allow smaller publications easier access to existing distribution infrastructure.

In addition, the MDDA will work out details of such distribution mechanisms with distribution companies, including the nature of a possible subsidy scheme, its sustainability, regular review procedures and exit strategies – as well as any other scheme that might emerge out of research and consultation.

6.6.2 New electronic media
The accelerated development of new media raises a variety of issues for the MDDA's attention.

The Universal Service Agency (USA) has thus far been responsible for the development of telephony and Internet access. Consequently, USA projects have extended to the development of infrastructure as well as to the training of telecentre facilitators.

The MDDA will seek to form a strategic partnership with the Universal Service Agency, amongst others, to regularly assess the implications of Information and Communication Technology convergence for media development and diversity, and to develop a programme of support for multimedia initiatives that will meet continually changing needs. This could include:

◗ Conducting research on a regular basis on new media, paying particular attention to issues of divergence and convergence or synergy with traditional print and broadcast media.
◗ Enabling and developing community media's use of new media platforms.
◗ On-line publishing initiatives.

◗ Start-up services for distributing information on other media platforms.
◗ Encouraging innovative ways of applying new media technology to the benefit of audiences, and to improve their service quality.
◗ Innovation awards that, for example, would promote ideas around using media technology and content development on the Internet, as well as imaginative programmes to widen marginalised communities' access to the Internet.
◗ Telephony and internet access to community media, through co-operation with government and private sector initiatives.

7 The MDDA's guiding principles in funding decisions

Detailed criteria for selecting projects, as well as guidelines around application procedures, will be provided in regulations that will follow the MDDA legislation. The set criteria will aim to ensure that, amongst other things, marginalised communities, particularly those living in rural and peri-urban areas, receive top priority. The MDDA's guiding principle in making funding decisions and loan recommendations will be the contribution a project makes to media development and diversity.

As part of the application procedure, applicants will be required to provide information regarding, amongst other things, the goals and objectives of the project, the proposed budget, as well as detailed business plans containing measures for future sustainability. The MDDA will assist media projects to further develop sound business plans as part of its capacity building programme. Feasibility studies, taking into account both economic and social viability, will be conducted to assist this process.

As the Agency will seek to promote sustainability wherever possible, projects must have good governance practices. Further selection criteria include community representation on the boards of community media projects, community participation and equity plans.

The MDDA will also promote sustainability by facilitating assistance from relevant government and other business development services. Priorities will be around the development of managerial and business expertise, information sharing, and networking. Where needed, the MDDA will help orientate other service providers in media development and diversity issues and priorities.

In addition, the MDDA will coordinate and facilitate access to other funding sources, such as donor organisations.

In the case of small commercial media projects, the MDDA will generally facilitate access to low-interest loan finance through lending agencies.

7.1 Media projects requiring long-term support

The MDDA will, however, recognise a category of media projects that may not become sustainable over a long period. The MDDA would:
◗ Work rigorously with such projects to identify the impediments to sustainability.
◗ Focus on developing an enabling environment.

Community media projects that are not financially sustainable may justifiably require long-term funding because of the function they play in a community, or in society as a whole. The MDDA will establish criteria to assess these cases. It would, if warranted, conduct a feasibility study to establish the project's viability. Criteria for continued support could include:
◗ Community interest and support for the project, as gauged, for example, from listenership/readership ratios, or community participation.
◗ The community's capacity to:
  • absorb the grant;
  • contribute to the project's sustainability.

◗ The extent to which the project offers:
  • access to information not offered by another media service;
  • diversity;
  • social and economic benefits.
◗ The media project's performance, in terms of indicators drawn from the above.

7.2 Good governance

The MDDA will consider good governance as vitally important, both in its own practices, and in the projects it funds. Media projects will be offered assistance to develop these practices.

Good governance includes:
◗ Sound financial and narrative reporting, and accountability to all stakeholders.
◗ Adherence to law, such as taxation and employment equity laws.
◗ The MDDA's own good grant making practices, including streamlined and efficient application procedures, and regular monitoring, evaluation and reporting.

7.3 Conditions

The MDDA will not interfere in the content of any newspaper, TV or radio station it supports.

The MDDA Board will decide on any transgressions of funding conditions by media projects.

If necessary, the MDDA will develop conditions, additional to those in 7.2 that apply to the specific context of individual projects. It could, for example, place as a condition of support a restriction on transfer of ownership of a project for a specific period of time. Another condition might be that project members take part in media diversity awareness and training.
Such conditions will be stipulated in a funding contract.

8 Relationship with other bodies

To ensure a coherent approach to the media environment, and to optimise impact, the MDDA will meet regularly with relevant bodies in order to:
- Network and collaborate on matters of common concern.
- Promote efficient management of resources.
- Increase effective co-operation and coordination.
- Prevent duplication.

8.1 Relevant bodies

To achieve its aims in media development and diversity the MDDA will interact with, but not duplicate the functions of, existing statutory and other bodies. The MDDA's relationship with other bodies will primarily be of a collaborative and co-operative nature to ensure that potential and existing resources for media development and diversity are effectively and efficiently utilised. For example:

- While the MDDA's work will support marginalised communities to make broadcast license applications in consultation with Icasa, this will not in any manner infringe on Icasa's sole right to determine the outcome of license applications.
- The MDDA will facilitate training as part of its capacity development programmes, and will work with amongst others Nemisa and MAPPP SETA.
- The MDDA will seek close collaboration with the Print Development Unit (PDU) around support to print publications.
- Agreement will be sought with the Development Bank of South Africa (DBSA) to provide technical expertise, including financial and project management, to the MDDA for a period agreed upon between the two bodies. Such an agreement will ensure that the MDDA will be ring-fenced within the DBSA such that the MDDA operates completely independently and is answerable only to its Board.

Other organisations and institutions with which the MDDA will co-operate include:
- International and national donor agencies, including the Southern African Media Development Fund (Samdef), Unesco and the Open Society Foundation.
- Government departments and agencies, in particular the Department of Communications and the Universal Service Agency.
- Statutory institutions.
- Representative bodies within the media industry.
- Self-regulatory media industry bodies.
- Civil society organisations, in particular media trade unions and professional associations, and media non-governmental and community-based organisations.
- Small business development agencies.

8.2 Annual stakeholders' meeting

The MDDA Board will arrange an annual meeting with stakeholders to, amongst other things, consider its Annual Report of activities and expenditure. The organisations that must be invited to this meeting will be stipulated in regulations, and the Board will be obliged to send out a general invitation through the media.

9 The MDDA's governance structure

The MDDA will be established as an independent, juristic person and will act through a Board. Further, the Agency will be subject to the Constitution as well as the Public Finance Management Act, No.1 of 1999, as amended by Act 29 of 1999, which provides guidelines for corporate governance in state-created institutions.

9.1 The board's composition and function

The Board will be selected through an open process and will consist of a minimum of seven and a maximum of nine members. Stakeholders, including government, the print and broadcast media industry, and community media, will directly nominate four members to the Board. A further five Board members will be nominated by the general public. The Parliamentary Portfolio Committee on Communications will, through a public process, identify a shortlist of candidates for each sector, and submit these as recommendations to the President. The President will appoint the Board from the list supplied by Parliament.

Members of the MDDA Board will consist of persons who, when viewed collectively, reflect the diverse demographics of the people of the Republic, and, as far as possible, possess suitable qualifications, expertise and experience in fields such as:

◗ Advertising
◗ Media economics
◗ Development economics
◗ Financial management
◗ Social development
◗ Community media
◗ Broadcast programming
◗ Law
◗ Media and ICT policy
◗ Journalism
◗ Social science
◗ Media training
◗ Literacy
◗ Media funding.

The Board will be responsible for a range of functions, including amongst other things, to:

◗ Identify communities, groups and persons who are not adequately served by the media
◗ Select projects that qualify for support
◗ Make final decisions on funding applications
◗ Raise public awareness with regard to media development and diversity issues
◗ Engage in research regarding media development and diversity
◗ Ensure that the Agency and its objectives are known to the public through marketing and awareness campaigns
◗ Negotiate with public utilities, organisations and financial institutions to acquire indirect support for projects
◗ Arrange an annual meeting with stakeholders in the media industry to give a report on the

Agency's activities
◗ Make recommendations regarding media development and diversity to government and the media industry, after public consultation
◗ Ensure that the MDDA operates independently of stakeholders and in accordance with legislation and regulations.

The Minister responsible for the GCIS will, in consultation with the Minister of Finance, determine the remuneration of Board members.

The board will ordinarily meet four times a year, and under exceptional circumstances may meet to hold further meetings, provided that these do not exceed eight times a year.

9.2 Chief Executive Officer and staff

One of the board's first tasks will be to appoint a suitably qualified and experienced person as chief executive officer (CEO) to run the MDDA's day-to-day activities.

The CEO will ensure that the instructions of the Board are carried out. The CEO will report to the Board on the activities of the Agency by completing a report on such activities to be submitted to the Board for approval. This report will include, amongst other things, audited financial statements, a list of beneficiaries, an evaluation of how the Agency's mandate was achieved and a projection of forthcoming activities.

Subject to the written directions of the Board, the CEO may appoint such other staff for the Agency as are necessary to perform the work arising from, or connected with, the Board's functions. The staff will be accountable to the CEO, and the CEO will be accountable to the MDDA board. (See Annexure 6 for suggested Organogram)

The CEO will be a hands-on person, with widely respected media experience, particularly with regard to policy issues. Strongly recommended qualities, expertise and skills include:
◗ Integrity and diplomacy
◗ Expertise in accounting and financial matters
◗ Understanding of media economics, diversity and technology
◗ Understanding of freedom of expression issues
◗ Staff and project management
◗ Fundraising.

In the performance of his/her functions and duties, the CEO will:
◗ Work closely with the board, and implement its decisions.
◗ Raise funds.
◗ Promote media development and diversity in key policy arenas and forums.
◗ Oversee human resource management.
◗ Determine participation in industry forums.
◗ Have the power to allocate funds between board meetings, within a fiscal limit.

The CEO will hold office for a period of five years, and may not be appointed for more than three consecutive terms of office. The terms and conditions of service of the CEO, including remuneration, allowances, pensions, and other service benefits are determined by the Board.
A person will be disqualified from being appointed or remaining a chief executive officer if he or she is a Board member.

9.3 Use of experts

The MDDA may utilise expertise drawn from stakeholders and industry, in the evaluation of project proposals.

In addition, agreement will be sought with the Development Bank of Southern Africa (DBSA) to provide technical expertise, including financial and project management, to the MDDA for a period agreed upon between the two bodies.

The board, in consultation with the Department of Finance, will decide on remuneration levels.

10 The MDDA budget

10.1 Key funding needs

The community and small commercial media needs assessment deriving from research amounts to R500m over five years. The proposed MDDA budget provides for meeting half these needs, or R256m over five years.

The MDDA's administrative costs are kept low by using various facilities of the Development Bank of SA (DBSA), pending final agreement.

The budget increases annually during the first 5 years, in order to address the immediate backlog, particularly with regard to community radio. However, it is envisaged that expenditure will progressively decline after 5 years, due to a significant decline in the need for support to community radio.

During the first year, emphasis will be placed on setting up office, employing key staff, addressing immediate needs of existing media projects and initiating further research into media needs - particularly in rural and peri-urban areas, and focussing on print media. This will allow for a more accurate assessment of print media needs in the medium- to long-term, as support to radio declines.

10.2 Kinds of support

Application costs will cover the cost of a mentor who will, as part of an initial capacity building exercise, assist an approved applicant in making a detailed application to the MDDA.

On the strength of the detailed application, existing media projects will undergo an extensive **forensic audit** to determine obstacles to self-sufficiency. Thereafter, existing media projects will typically qualify for capacity building support, and on the basis of a strong motivation, assistance with operational costs.

Feasibility studies will be conducted for new projects, to assess the need, nature and level of support.

Forensic audits and feasibility studies will also serve as **capacity building** exercises involving staff and Board members of the media projects, and will culminate in comprehensive Business Plans.

Further support to radio, print and community television (in the form of video access centres) include various forms of training and capacity building, assistance with operational costs and capital costs. While capacity building support will be available to small commercial as well as community media, operational and capital support will be confined to community media projects. In the case of capital support, this will be primarily aimed at new projects.

Projects supported for longer than two years will undergo an extensive evaluation before support is approved for the third year. This will determine whether projects have adhered to the targets set out in their Business Plans.

All support will be structured on a declining basis, in two, four or five year cycles.

It is envisaged that during the first 5 years, the following number of projects will be supported:

PRINT MEDIA
◗ 28 existing newspapers (typically for two years);
◗ 6 existing magazines (typically for two years);
◗ 25 new newspapers (typically for five years); and
◗ 5 new magazines (typically for five years).

COMMUNITY RADIO
◗ 57 existing stations (typically for four years);
◗ 67 new stations (typically for five years).

COMMUNITY TELEVISION (VIDEO ACCESS CENTRES)
◗ 12 centres (typically for four years).

In addition, limited funds will be available for exploratory initiatives in new electronic media, although a partnership with the Universal Service Agency is likely to result in an increased investment in multimedia projects over time.

10.3 Financing the MDDA

In the absence of donor funding in the short term, government will raise in the region of two-thirds of the funding needs of the MDDA, of around R250 million over five years. It is anticipated that once the MDDA is established on the basis of South African commitments, government and the non-government sector, it will be possible to mobilise donor funding that will reduce the demand on government.

Government's contribution to the MDDA will, therefore, amount to R30m-R35m on average for five years, and thereafter at a substantially diminished level once the bulk of the development backlog has been met. The remainder will be contributed by the industry and, it is anticipated, through funding of multimedia projects by the Universal Service Agency.

11 Glossary

Advertising Standards Authority (ASA)
ASA's role is to ensure that the industry abides by its code of conduct. The ASA is the only body which regulates the content of advertising. It receives funding from the **MIT,** and is statutorily recognised.

Aliteracy
People who can read but do not read.

Alternative press
The term used since the 1980s, up to the mid-1990s, to describe **community** newspapers and **independent** newspapers, magazines and journals that took a stand against apartheid.

AMPS
All media products survey conducted by **Saarf.** This includes print (PAMS), radio (RAMS), television (TAMS), and outdoor media. It indicates Living Standard Measurement **(LSM)** groups' media consumption patterns.

Association of Advertising Agencies (AAA)
An industry body with 26 group companies representing more than 60 advertising agencies. Its first black chairperson was elected in 1999.

Association of Marketers (Assom)
Assom was established in 1955 and represents about 200 companies, who are responsible for about 70% of above-the-line adspend.

Broadcasting Complaints Commission of South Africa (BCCSA)
A broadcasting self-regulatory body set up to promote freedom of speech, free flow of information, and high standards in broadcasting.

Caxton
Caxton was formed in the 1950s, and initially focussed on newspaper printing. Today it specialises in printing and publishing. Caxton PTY Ltd was established in 1998 out of the merger between Caxton and **Perskor,** which brought ownership of the Citizen, Republican Press and local titles. Caxton owns a large number of local newspapers directly and through Penrose and Capital Media, as well as printing and distribution infrastructure in various provinces.

Commission for Gender Equality
A statutory body set up to promote gender equality, and to advise and make recommendations to parliament – or any legislature – on laws which affect gender equality and the status of women.

Competition Commission
Set up according to the Competition Act to investigate the competition effects of mergers, and anti-competitive business practices. The Commission makes its recommendations to, and prosecutes cases before an adjudicative body, the Competition Tribunal.

Community
Includes a geographically founded community or any group of persons or sector of the public having a specific, ascertainable common interest.

Community media enterprises
Are owned by a defined community, such that any financial surplus generated is reinvested in the project or is used by the community. Community media enterprises are owned and controlled by the community they serve through their elected representatives. A community media project would classically have a democratically elected board, and hold annual general meetings.

Comtask (Task Group on Government Communications)
The Task Group was appointed by the then Deputy-President Thabo Mbeki to investigate government communications. In its 1996 report, Communications 2000, it recommended the establishment of the **GCIS** to replace the old South African Communications Service (Sacs) and outlined a vision for government communications in South Africa. The report can be found on www.gcis.gov.za/ourdept/history.htm Recommendations 78 & 79 are particularly pertinent to the MDDA.

Conference of Independent Newspaper Editors (Cine)
An organisation set up by alternative/independent newspapers in 1991 to find solutions to the financial crises they faced.

Development Bank of Southern Africa (DBSA)
Statutory body that provides funding for infrastructure development in Southern Africa and offers expertise in, amongst others, administrative and project management.

Development Communication
Forms of communication, from story-telling to the internet, that carry socially relevant or developmental information to communities and individuals in an accessible manner.

Diversity
Diversity, with regard to media, means access to the widest range of opinion and information sources by all, as well as equitable representation within the media in general.

DSTV
Digital Satellite Television, which is part of the M-Net group.

Government Communication and Information System (GCIS)
Established in 1998 on the recommendation of **Comtask,** to coordinate government communications and promote development communication.

Greenfield radio stations
Commercial stations that received new licences from the IBA (as opposed to the SABC stations that were privatised).

Independent Broadcast Authority (IBA)
Established in 1993 as an independent statutory body, to regulate the broadcast industry. Merged with Satra in 2000 to form Icasa.

Independent Communications Authority of SA (Icasa)
Established in 2000 out of the merger of the **IBA** and **Satra,** to regulate the broadcast and telecommunications industry.

Independent Magazines Group (IMG)
A venture in 1994 of various independent magazines and journals to save costs and become more financially sustainable through sharing resources and developing joint initiatives, like marketing. The venture was unsuccessful, with most of the publications folding due to lack of funding.

Independent Media Diversity Trust (IMDT)
Initiated by the alternative press, the IMDT was set up in the 1993 as a voluntary mechanism, to try to sustain and promote media diversity. Funding initially came from the media industry and foreign donors. However, the mainstream media eventually ceased their contributions and the IMDT failed to meet its objectives.

Independent media
Media owned and controlled outside of government, big business or mainstream media groups. In the past the alternative anti-apartheid press, commercial and non-profit, were also referred to as the "independent" press. In this Position Paper the term "independent" refers to commercial media, as opposed to **community** media. South Africa's only remaining independent daily newspaper is the *Natal Witness* based in Pietermaritzburg. However, Naspers has recently made a bid for it.

Independent Newspapers Group (ING)
Established when Irish media owner Tony O'Reilly bought the Argus group in 1994. The stable has expanded and now provides newspapers to nearly a third of daily readers. Some titles include: The Star, Diamond Fields Advertiser, Sunday Tribune, Post, Pretoria News, Sunday Independent, Cape Argus, Cape Times, Daily News, Natal Mercury and Business Report. ING also has interests in The Newspaper Printing Company and Allied Distribution Limited, and Cape Community Newspapers, which own 13 local newspapers in the Western Cape.

ICT (Information and Communication Technology)
Refers to the increasingly converging technologies of the computing (Information Technology), broadcasting and telecommunications (communication technology) industries.

Johnnic
Formerly part of the Anglo-American Corporation, Johnnic was bought by the National Empowerment Consortium (NEC) in 1996. The NEC is made up of black business and trade union investment companies. Johnnic has in recent years re-focussed itself into an integrated media, entertainment and telecommunications group, and is regarded as the most successful of the black empowerment initiatives. It owns Times Media Limited (now Johnnic Publishing), and is chaired by former unionist and ANC politician Cyril Ramaphosa.

Living Standards Measurements (LSMs)
A measurement used by market researchers to determine the spending power of different categories of people.

Local commercial press
This services a particular geographical area, and is owned and controlled by individuals or companies for commercial profit. Traditionally, some of these are called "knock and drops", and most are affiliated to the Community Press Association. The mainstream media dominates the commercial local media market, and refer to these titles as "community" newspapers (which is not to be confused with **community media** as defined in this Position Paper). Times Media Limited (through the Daily Dispatch), Naspers, Independent Newspapers and Caxton collectively own more than 100 local commercial newspapers, which serve middle to upper income areas.

Marketing Industry Trust (MIT)
For over 30 years a voluntary levy of 0,5% of advertising sales was collected to support **Saarf,** and was known as the Saarf levy. In 1997 it broadened its scope to include support for the Advertising Standards Authority **(ASA)** and the Freedom of Commercial Speech Trust, and the levy was increased to 1%. Each recipient receives approximately 87%, 8% and 5% of the levy revenue respectively. Because of its voluntary nature, there is considerable under-collection. The MIT could potentially raise R43,8m, but collected only R34m in 1999 – a shortfall of approx. R8,8m. There are currently attempts to achieve optimal collection. The MIT board consists of the **NAB, SABC, PMSA, AAA** and **Assom.**

Media
Means all forms of mass communication, including printed publications, radio, television and new electronic platforms for delivering content.

Media development
Means the development of the media environment and infrastructure so that marginalised communities, groups and persons have access to the media as owners, managers, producers and consumers of media.

Media industry
Includes the entire media production process, including journalism, content provision, advertising, marketing, monitoring, printing, print distribution and signal distribution.

Media Institute of Southern Africa (Misa)
Misa is a non-governmental organisation dedicated to promoting media freedom and diversity in Southern Africa as envisaged in the 1991 Windhoek Declaration on Promoting an Independent and Pluralistic African Press. See www.misanet.org

Media Viability Fund (MVF)
A fund set up by the Media Development Loan Fund and the Eurasia Foundation to help build democracy in the New Independent States (formerly part of the USSR). The MVF's goal is to "free independent media from financial and journalistic restraints through technical assistance, and loans that also help develop alternatives to government monopolies. The approach is to seek out strong independent newspapers and television stations, and help make them stronger."

Mineworkers Investment Company (MIC)
Formed in 1995 out of seed capital provided by the National Union of Mineworkers, MIC has significant investments in media – including Primedia and MIDI-TV, owners of eTV. It also has a large stake in **Johnnic** through the National Empowerment Consortium. Profits are used for bursaries, rural development and training.

Nasionale Pers (Naspers)
The history of the Naspers can be traced to the formation of the National Party in 1914 and Die Burger newspaper in 1915. Naspers owns *Rapport, Beeld, Die Volksblad, City Press, Die Burger*, various leading national magazines, knock and drop local newspapers, M-Web, National News Distributors (NND), and has majority shares in MIH. Owners of M-Net and Multichoice. It recently attempted to buy the *Natal Witness,* which is subject to a Competitions Tribunal hearing.

National Action Plan for the Promotion and Protection of Human Rights (NAP)
The NAP is informed by the Vienna Declaration of the 1993 United Nations (UN) World Conference on Human Rights. South Africa's NAP was adopted by cabinet in 1998 and deposited with the UN Commission on Human Rights on the 50th anniversary of the UN Declaration on Human Rights.

NAB
The National Association of Broadcasters represents public, private and community broadcasters.

NCRF
The National Community Radio Forum is a network of community radio stations that was established in 1991. Membership has grown to more than 100 stations, some on air, some awaiting licenses.

National Development Agency (NDA)
A statutory body set up to contribute towards the eradication of poverty and its causes. It makes grants to civil society organisations.

National Electronic Media Institute of South Africa (Nemisa)
Institute set up by the Department of Communications to improve the level of skills in the broadcasting industry.

National Film and Video Foundation
A statutory body established to develop and promote South Africa's film and video industry. Its objectives are, amongst others, to provide - and encourage others to provide - opportunities for disadvantaged people to get involved in the industry.

New Africa Investment Limited (Nail)
A black empowerment company that owns New Africa Publications, the publishers of *Sowetan* and co-publishers, with Times Media Ltd, of *Sowetan Sunday World.* Nail has also made a bid to buy Kagiso Media, owners of a number of radio stations.

New media
Refers to new electronic platforms for delivering content that go beyond traditional radio and TV. This includes computers, electronic billboards, cellular telephones and personal digital assistants. These use protocols like the Internet and other standards that are constantly being developed, which in turn use a range of technologies such as the World Wide Web, e-mail, short-message services (SMS) and Wireless Applications Protocols (WAP).

OWN
The Open Window Network is a network of community-based television and video groups in South Africa.

Pan South African Language Board (Pansalb)
A statutory body set up to promote the usage of all official languages in South Africa.

Perskor
Perskor has its roots in the rise of Afrikaner nationalism, particularly the Transvaal branch of the National Party during the first half of the 1900s. In 1991 Perskor owned *Die Vaderland*, *Citizen*, *Transvaler*, *50% of Rapport*, Republican Press, and various knock and drops. It merged with **Caxton** in 1998, and sold its *Rapport* shares to **Naspers.**

Press Ombudsman
A self-regulatory industry body set up to ensure media practitioners comply with media ethics as enshrined in its code of conduct.

Primedia
Formed in 1995 with Radio 702 as its flagship, Primedia has since acquired Highveld Stereo and Cape Talk. It is also active in, amongst other things, publishing, cinema and home entertainment, outdoor advertising and direct marketing. During 2000 it formed a partnership with the **Mineworkers Investment Company (MIC),** where the latter has assumed joint control of the company.

Print Development Unit (PDU)
An attempt was made to establish the Print Development Agency in 1998 to support community and small commercial print media. The initiative came from the **IMDT**, the community sector, independent publishing sector and Print Media South Africa **(PMSA).** It, however, did not materialise, and the PMSA has set up its own Print Development Unit (PDU).

Print Media South Africa (PMSA)
Represents all the mainstream print media companies.

RAMS
Radio audience measurement survey (RAMS) conducted by the South African Advertising Research Foundation **(Saarf).** This is an indication of how many people listen to a particular radio station.

Sentech
State-owned signal distribution common carrier providing signal distribution services to most television and radio broadcasters in the country. Some of its clients include: SABC1, 2 and 3, M-net, eTV, community radio stations, Jacaranda, Highveld, etc.

Small commercial media
Means independent media run by communities, groups or persons as small businesses for profit.

South African Advertising Research Foundation (Saarf)
Established in 1975, with the aim of providing data about the use of mass media, product

consumption, and services by users of the mass media. Current board members represent the following: Association of Advertising Agencies **(AAA)**, Association of Marketers **(Assom),** Cinemark, Media Directors' Circle (MDC), National Association of Broadcasters **(NAB),** Outdoor Advertising Association of South Africa (Oaasa), Print Media South Africa **(PMSA),** and the South African Broadcasting Corporation **(SABC).**

South African Broadcasting Corporation (SABC)
The public broadcaster owns 21 radio stations and 4 television channels. It receives an annual parliamentary grant, and has to perform certain public service obligations alongside its commercial operations.

South African National Editors' Forum (Sanef)
Professional organisation representing most newspaper editors in SA.

South African Press Association (Sapa)
National news agency owned by major newspaper groups.

South African Telecommunications Authority (Satra)
Established in 1996 to regulate the telecommunications industry. Subsquently merged with the **IBA** in 2000 to form **Icasa.**

Southern African Media Development Fund (Samdef)
Samdef is a non-profit company, registered in Botswana and owned by the **Misa** Education Production Fund but answerable to a Regional Board of Directors. Samdef provides loans and credit guarantees to media projects that can show that they can become sustainable and operate on a commercial basis. Samdef provides training, and does monitoring and supervision to try to ensure that projects have the skills needed to become sustainable. The Fund does not offer grant funding.

Universal Service Agency (USA)
Established by the Telecommunications Act No. 103 of 1996. Its mandate is to promote universal access and service to telecommunications for all South Africans.

Universal service obligations
Refers to the obligation to extend telecommunications access to all people in South Africa.

Video Access Centres
Production centres where communities can make documentaries for broadcasting during pre-negotiated "open window" timeslots on public television, or for distribution as video cassettes. The centres are seen as a precursor to the establishment of fully-fledged community television.

12 Annexures

Annexure 1: List of organisations and institutions consulted

Community media
- National Community Media Forum
- National Community Radio Forum
- Open Window Network
- Sangonet

Civil society organisations
- Communication Workers Union
- Congress of South African Trade Unions
- Easy Reading for Adults Initiative
- Freedom of Expression Institute
- Media Monitoring Project
- Media Workers Association of SA
- National Electronic Media Institute of South Africa
- Rural Development Services Network
- SA NGO Coalition
- SA Union of Journalists

Commercial media
- Caxton Publishers and Printers Limited
- Digital Interactive Media Association
- Independent Newspaper Group
- INet-Bridge
- Johnnic Publishing
- Kagiso Broadcasting
- Kagiso Media
- Kagiso Trust Investments
- Mafube Publishers
- Mail & Guardian
- Media 24 (Subsidiary of Naspers)
- MidiTV(eTV)
- MNet
- Nasnuus
- Naspers
- New Africa Media/New Africa Investments Limited
- Primedia Broadcasting
- Sowetan
- Times Media Limited

Industry-based organisations
- Association of Advertising Agencies
- Association of Marketers
- Development Bank of Southern Africa
- Freedom of Commercial Speech Trust
- Independent Producers Organisation
- Independent Publishers Association of SA
- National Association of Broadcasters

National Television and Video Association
Marketing Industry Trust
Print Media SA
SA National Editor's Forum
South African Advertising Research Foundation

Government departments

Department of Arts & Culture, Science & Technology
Department of Communications
Department of Education
Department of Finance
Department of Justice (State Law Adviser)
Department of Trade and Industry
Policy Coordination and Advisory Service in the Presidency

Regulatory authorities, non-statutory and statutory bodies

Advertising Standards Authority
Broadcasting Complaints Commission of South Africa
Commission for Gender Equality
Competitions Commission
Human Rights Commission
Independent Broadcasting Authority and the SA Telecommunications Regulatory Authority (now the Independent Communications Authority of SA)
National Film and Video Foundation
PanSA Language Board
Parliamentary Portfolio Committee on Communications
Press Ombudsman
Sentech
South African Broadcasting Corporation
South African Broadcasting Corporation - training

Grant-making organisations

Friedrich Ebert Stiftung
Heinrich Boll Stiftung
Independent Media Diversity Trust
Kgaso Fund
Open Society Foundation
Unesco SA

Universities and technikons

Peninsula Technikon
Potchefstroom University
Rhodes University
Technikon Natal
Technikon Pretoria
University of the North-West
Unisa

Other

Sean Jacobs
GF Joubert
South African Communist Party
Thornton & Morris Attorneys (T&M)
Moeletsi Mbeki (Endemol Productions SA (Pty) Limited)

Annexure 2: Key references from South Africa's Constitution (Act 106, 1996)

Chapter 2: Bill of Rights

Freedom of expression

Section 16 (1) Everyone has the right to freedom of expression, which includes –
(a) freedom of the press and other media;
(b) freedom to receive or impart information or ideas;
(c) freedom of artistic creativity; and
(d) academic freedom and freedom of scientific research.

(2) The right in subsection (1) does not extend to –
(a) propaganda for war;
(b) incitement of imminent violence; or
(c) advocacy of hatred that is based on race, ethnicity, gender or religion, and that constitutes incitement to cause harm.

Language and culture

Section 30 Everyone has the right to use the language and to participate in the cultural life of their choice, but no one exercising these rights may do so in a manner inconsistent with any provision of the Bill of Rights.

Cultural, religious and linguistic communities

Section 31 (1) Persons belonging to a cultural, religious or linguistic community may not be denied the right, with other members of that community –
(a) to enjoy their culture, practise their religion and use their language; and
(b) to form, join and maintain cultural, religious and linguistic associations and other organs of civil society.

(2) The rights in subsection (1) may not be exercised in a manner inconsistent with any provision of the Bill of Rights.

Access to information

Section 32 (1) Everyone has the right of access to –
(a) any information held by the state; and
(b) any information that is held by another person and that is required for the exercise or protection of any rights.
(2) National legislation must be enacted to give effect to this right, and may provide for reasonable measures to alleviate the administrative and financial burden on the state.

Chapter 9

Independent Authority to Regulate Broadcasting Broadcasting Authority
Section 192

National legislation must establish an independent authority to regulate broadcasting in the public interest, and to ensure fairness and a diversity of views broadly representing South African society.

Chapters 3-7

Provide for ordinary citizens' access to information on all levels of governance.

Annexure 3 :Profile of the mainstream commercial newspapers (October 2000)

Newspaper	Proprietor	Type and Language Afrikaans daily (A-D) English daily (E-D) Afrikaans weekly (A-W) English weekly (E-W)	Editor White male (W/M) White female (W/F) African Male (A/M) African female (A/F) Indian Male (I/M) Coloured Male (C/M)	AMPS (June 2000)
Sowetan	New Africa Publications (NAP)	E-D	Aggrey Klaaste (A/M)	2 145 000
Sowetan Sunday World	NAP/Times Media	E-W	Charles Mogale (A/M)	323 000
Post	ING	E-W	Brijlal Ramguthee (I/M)	314 000
Independent on Saturday	ING	E-W	Cyril Madlala (A/M)	338 000
Cape Argus	ING	E-D	Chris Whitfield (W/M)	351 000
Sunday Independent	ING	E-W	John Battersby (W/M)	184 000
Sat Argus Weekend	ING	E-W	Chris Whitfield (W/M)	397 000
Sun Argus Weekend	ING	E-W	Chris Whitfield (W/M)	304 000
Cape Times	ING	E-D	John Scott (W/M)	255 000
Sunday Tribune	ING	E-W	Peter Davis (W/M)	687 000
Saturday Star	ING	E-W	Paula Fray (C/F)	503 000
The Mercury	ING	E-D	Dennis Pather (I/M)	249 000
Daily News	ING	E-D	Kaizer Nyatsumba (A/M)	367 000
Pretoria News	ING	E-D	Ivan Fynn (C/M)	202 000
PTA News Weekend	ING	E-D	Ivan Fynn (C/M)	73 000
The Star	ING	E-D	Peter Sullivan (W/M)	855 000
Ilanga	Mandla-Matla	Zulu-Tuesday	Sipho Ngobese (A/M)	1 440 000
Ilanga	Mandla-Matla	Zulu-Thursday	Sipho Ngobese (A/M)	1 313 000
Citizen	Caxton	E-D	Tim du Plessis (W/M)	897 000
Daily Dispatch	Dispatch Media	E-D	Gavin Stewart (W/M)	218 000
Business Day	Business Day Financial Mail (Times Media/Pearson Group)	E-D	Jim Jones (W/M)	146 000
E.P Herald	Times Media	E-D	Ric Wilson (W/M)	181 000
Sunday Times	Times Media	E-W	Mike Robertson (C/M)	2,3 m
Evening Post	Times Media	E-D	Lakela Kaunda (A/F)	116 000
Mail and Guardian	Mail and Guardian Media	E-W	Phillip Van Niekerk (W/M)	192 000
Die Volksblad	Naspers	A-D	J Crowther (W/M)	127 000
Die Burger	Naspers	A-D	Arrie Rossouw (W/M)	600 000
Rapport	Naspers	A-W	Johan de Wet (W/M)	1 762 000
Beeld	Naspers	A-D	Peet Kruger (W/M)	459 000
City Press	Naspers	E-W	Khulu Sibiya (A/M)	2 381 000
Natal Witness	Natal Witness (Naspers)	E-D	John Cunningham (W/M)	141 000

Sources: Company websites, Financial Mail, Business Times, Business Report

Annexure 4: Profile of mainstream broadcasters (October 2000)

Station	Proprietor	Language and Format English Music (E-M) English Talk (E-T) AfrikaansTalk (A-T) English Afrikaans Music (E.A-M) English Afrikaans Entertainment (E.A-E)	News Editor White male (W/M) White female (W/F) African Male (A/M) African female (A/F) Indian Male (I/M) Coloured Male (C/M)	AMPS (June 2000) (Listenership) Yesterday
Classic FM	Classic FM UK, Liberty Life and Ingoma Trust	E-M	Des Latham (W/M)	122 000
Highveld	Primedia	E-M	Portia Kobue (A/F)	778 000
Cape Talk	Primedia	E-T	Andrew Bolton (W/M)	73 00065 000
Radio 702	Primedia	E-T	Sangqu (A/F) Noleen Maholwana	257 000 000
East Coast Radio	Kagiso Media	E-M	Mary Papaya (I/F)	782 000
Jacaranda FM	Kagiso Media and New Africa Media (NAM)	E-M	Angie Diedricks (W/F)	835 000
O fm	African Media Entertainment (AME)	A-M	London Johnston (C/M)	295 000
Radio Algoa	AME	E-M	Shadley Nash (C/W)	235 000
Punt Geselsradio	AME	E-D	Amanda Hughes (W/F)	58 000
P4 (Durban)	Makana	E-M	Linda Page (A/F)	100 000
P4 (Cape Town)	Makana	E-M	Vicky Stark (W/F)	150 000
Kaya FM	Makana and NAM	E-M	Tefo Mohale (A/M)	398 000
Y FM	HCI	E-T	George Hill (C/M)	772 000
Kfm	New Africa Media (NAM)	E.A-M	Aden Thomas (C/M)	530 000
eTV	Sabido	Multilingual	Jim Mathews (C/M)	5112 000
M-Net	Naspers	E.A-E	George Mazarakis (W/M)	2 871 000
SABC Stations	**Proprietor**	**Language**	**SABC Regional Editors**	**AMPS (June 2000) Yesterday**
All SABC Stations	Publicly owned		Sello Thulo (A/M): North West James Barkhuizen (W/M): Northern Cape Mzukisi Twala (A/M): Western Cape Zola Yeye (A/M): Eastern Cape Manas Tshungu (A/M): Northern Province Hosea Jiyane (A/M): Mpumalanga Cecil Msomi (A/M): KZN Ntseliseng Khoali (A/M): Free State Kgomotso Sebetso (A/M): Pretoria	
Ukhozi FM		Zulu		4 534 000
Umhlobo Wenene FM		Xhosa		3 066 0005
Metro FM		English		2 865 000
Lesedi FM		Sotho		2 284 000
Motsweding FM		Tswana		1 689 000
Thobela FM		Sepedi		1 522 000
Radiosondergrense		Afrikaans		1 069 000
Mungana Lonene		Tsonga		826 000
Ikwekwezi FM		Ndebele		665 000

Continued from previous page...

5FM		English		1 011 0001
				225 000
Ligwalagwala FM		Swazi		670 000
Phalaphala FM		Venda		455 000
Good Hope FM		English		652 000
Radio Bop		English		286 000
CKI Stereo		English		342 000
Safm		English		369 000
Lotus FM		English		352 000
Radio 2000		Simulcast		141 000
SABC 1		English and Nguni		13 166 000
SABC 2		South and North Sotho,		9 175 000
		Tswana and Afrikaans		
SABC 3		English		5 430 000
Bop TV		English		316 000

Source: SABC Website, http://www.sabc.co.za (Radio and television Services), Telephone Enquiries to individual private stations, Saarf

Annexure 5: Black economic empowerment in broadcasting (Aug 2000)

Black Empowerment Group	Investments
Zerilda Investment	60% of Highveld Stereo
Sabido Investments (dominated by Mineworkers Investment Company and SACTWU Investment Groupings)	80% of Midi-TV, owners of e-TV
Ingoma Trust	20% of Classic FM
Thebe Convergent Technologies	24,9% of Kaya FM
New Africa Media (subsidiary of Nail)	42,5 % of Jacaranda FM 22,5% of Kaya FM
Makana Trust	22,5 % of Kaya FM, 51% of P4 in Durban and 80% of P4 in Cape Town
Siphumelele Investment	20% of Cape Talk and 15% of KFM
SACTWU Investment Groupings	22, 5% of Cape Talk (see Sabido)
Kagiso Media	91% of East Coast Radio and 42, 5% of Jacaranda FM
Mopani Media	15% YFM
The Union Housing Trust	40% YFM
Mineworkers Investment Company	22,5% of Cape Talk; 9% of Primedia (amounts to joint control) (see also Sabido)

Sources: Company websites and Annual Reports
*Zerilda owns Highveld, and is made up of WIP (15%) and Francolin Investments (85%).
Francoline itself is owned by SACTWU (50%) and MIC (50%)

Annexure 6: Proposed Organogram

MDDA BOARD

ADMINISTRATOR · · · · **EXECUTIVE DIRECTOR**

PROJECT MANAGER RADIO (X2)

PROJECT MANAGER PRINT

PROJECT MANAGER TV/NEW MEDIA

RESEARCH DIRECTOR

TRAINING CO-ORDINATOR
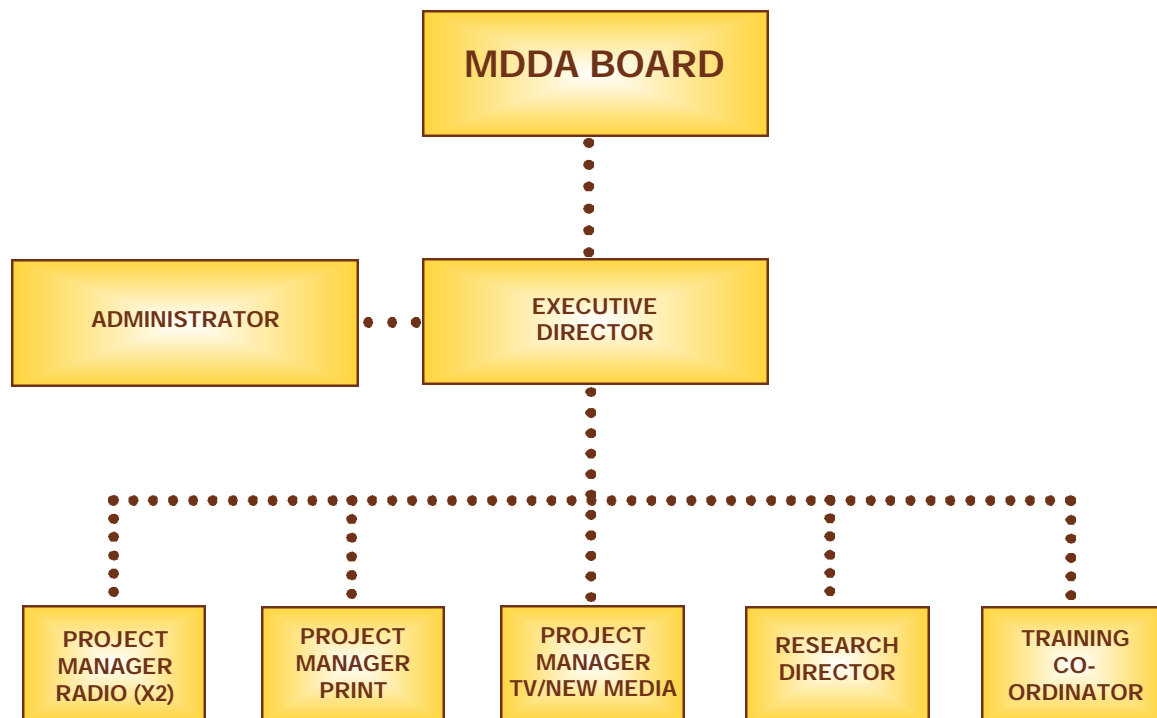
Annexure 7: Total needs over five years

PRINT, RADIO AND VIDEO ACCESS CENTRES

	R 000 2002	R 000 2003	R 000 2004	R 000 2005	R 000 2006	R 000 Total	% of Total
PRINT							
Existing newspapers (28 papers supported)	1,960	2,561	2,102	1,567	433	8,622	
New newspapers (25 papers supported)	155	2,413	4,019	4,978	5,688	17,253	
Existing magazines (6 supported)	1,324	1,350	343	-	-	3,018	
New magazines (5 supported)	31	771	1,320	1,659	1,907	5,688	
Capacity building	750	1,525	1,631	1,439	1,212	6,558	
PRINT TOTAL	**4,220**	**8,620**	**9,416**	**9,643**	**9,240**	**41,139**	**16%**
RADIO							
Existing Radio Stations (57 stations supported)	5,820	9,955	12,334	7,564	3,751	39,424	
New Radio Stations (67 stations supported)	155	4,398	10,403	17,760	26,057	58,772	
Capacity building	1,350	13,215	16,766	18,468	13,042	62,841	
RADIO TOTAL	**7,325**	**27,567**	**39,503**	**43,791**	**42,851**	**161,037**	**63%**
VIDEO ACCESS CENTRES							
Video Access Centres (12 centres supported)	676	1,769	3,219	4,128	4,752	14,544	
Capacity building	50	348	572	766	819	2,555	
VIDEO ACCESS CENTRE TOTAL	**726**	**2,117**	**3,792**	**4,893**	**5,572**	**17,099**	**7%**
NEW MEDIA TOTAL - [note 1]	**500**	**535**	**572**	**613**	**1,311**	**3,531**	**1%**
MEDIA RESEARCH TOTAL - [note 2]	**2,000**	**2,140**	**2,290**	**2,450**	**2,622**	**11,501**	**4%**
ADMINISTRATIVE BUDGET TOTAL	**2,797**	**4,055**	**4,620**	**4,867**	**5,207**	**21,545**	**8%**
TOTAL	**17,568**	**45,034**	**60,193**	**66,257**	**66,802**	**255,853**	**100%**
Inflation	7%	7%	7%	7%	7%		

Notes:
1 Exploratory initiatives. Increase in 2006 in anticipation of increase in activities for Phase 2
2 Includes needs assessments and media research on issues related to media development and diversity